

A ROYAL
CANADIAN
AIR WAR

Maclean's

DIFFERENT STROKES

CANADIANS
COLLECT A BASKET
OF MEDALS IN
BARCELONA—AND
AIM FOR MORE

GOLD MEDALLISTS
MARNIE McBEAN AND
KATHLEEN HEDDLE



OUR NEW NOTEBOOK PC LOOKS LIKE A
MILLION BUCKS. WHICH COULD MAKE THIS THE MOST
MISLEADING AD IN HISTORY.

Recently, our engineers set out to create a remarkably different notebook computer. With all of the quality, durability and features that you need. All at a sensible price. The result, as you can plainly see, is a remarkably different notebook. The new COMPAQ Contura PC.



One of the best things to happen to notebook computing since the fold-down airline tray table, the COMPAQ Contura Family of notebook PCs sets the standard for what an affordable notebook ought to be. Just beneath its sleek, ergonomic styling lies the rugged, well-tested, well-thought-out PC you expect from Compaq. No substandard parts

or components. No second-rate manufacturing. No logos stuck on the outside after somebody else's guts went inside.

Thanks to high levels of chip integration and some of the smartest mechanical design this side of NASA, we've managed to engineer costs out and

Intel 80386/31 with 64-KB cache
+ 4 MS RAM (up to 12 MB) + 40-
to 120 MB hard drive
Intel 386SX/33 + 2 MB RAM (up
to 10 MB) + 40- to 64-MB
hard drive + Desk module + 2 Dr.
+ 5 1/4" FDD display + optional
twin-turbo T² color monitor + 1 L
to 300 dpi heavy tapered NDRY
Joystick + Microsoft MS DOS
5.0 as published by the Company

Lay your fingers on the keyboard and they immediately feel at home.

This notebook also has a unique ability to hibernate when left idle, saving all open files to the hard drive and automatically shutting your notebook down. Preserving your remaining battery life. Start up hours, days, or even years later, and you're right where you left off.

the right stuff in.

Open either COMPAQ Contura PC and you'll find a large, 9.5-inch screen beaming brightly

All of which is backed

by CompaqCare, our new service and support program, which includes a free one-year limited warranty good anywhere in the world. And free on-site* service anywhere in the U.S. and Canada

For information, call
1-800-263-5868, ext. 220
in Canada, or just call
1-800-345-5588, ext. 220
in the U.S.

We'll tell you more about it. We'll tell you all the places you can get it. And we'll tell you that you won't find an affordable notebook PC that looks this good and works this well no matter who you call.



Just because you're out of the office doesn't mean you're out of touch. The COMPAQ Connect PC features an optional pager answering 2400 bps data/5600 bps fax modem.



As well as a uniquely sophisticated power conservation tool, *Information* also serves as an archive, one designed



*Tous droits réservés. Toute réimpression ou utilisation non autorisée sans la permission écrite de la Revue est formellement interdite. Toute réimpression ou utilisation non autorisée sans la permission écrite de la Revue est formellement interdite.

trademarks of Toyota Camper Corporation. Products names mentioned herein may be trademarks or registered trademarks of their respective companies. The National Union has no commercial interest in this advertisement.

OPENING NOTES

Ottawa breakups, drawing Olympic lines and a team owner's summertime blues

THE FOULMOUTHED TRUTH

It's a documentary about so-called sexual photographers and the celebrities they stalk in search of the perfect picture. Produced by Toronto filmmakers Joseph Russell and Nicole Connerly, *After the Shot* attracted both the stars and the paparazzi during its recent two-week opening at a 160-seat theatre in New York City. Among those who turned up: director Spike Lee and Martin Scorsese, actor Matt Dillon—and the biggest celebrity of them all, Madonna. The *Material Girl*, wearing a blue sheer armband that exposed a white bra, arrived with several girlfriends and then left her cottee in a bit of a daze. "I was yelled out, 'She's got that right—I am a f—ing pain in the ass.' And when he later called it a f—ing bitch," Madonna's friends answered back, screaming in unison at the screen. "Yes, she is a f—ing bitch"—proof that there are some situations that outdo even the camera.



BY GUY AROCH/REUTERS

The Numbers Game

Federal politicians are often accused of heading with the political wind. But according to the 1995 Census, performance-oriented ideology is more likely to make long-term commitments may actually be a hallmark of living in the Ottawa-Hull metropolitan area. Since 1986, the previous census year, the number of divorced people living in the national capital region has increased drastically. And the census shows that more and more Ottawans—like other Canadians, are reluctant to cross the threshold of official marriage. Some patterns of changing family life in the capital and the country:

- Divorces:** 1986-1991, an elevated rate in Ottawa-Hull: 36.9% (National 31.2%)
- Marriage:** increase in single-parent families, Ottawa-Hull 16% (National 11.8%)
- Marriage:** increase in common-law households, Ottawa-Hull 42.3% (National 49.1%)
- Marriage:** increase in people who have never married, Ottawa-Hull 10.9% (National 5.4%)

ONE FOR THE COACH

After a heart transplant on July 14, Winnipeg Blue Bombers coach and general manager Cal Murphy is on the road to recovery at University Hospital in London, Ont. Picking up the ball, Murphy's team is trying to score with a campaign to support the organ donor program that saved his life. At first July 30 he was expected to be at the B.C. Lions, the Bombers' scheduled opponent while T-shirts showing a football and a heart, and bearing the slogan "We have one life." Not proceeds from the sale of the shirts, going at \$15 each, will go to the Manitoba Heart and Stroke Foundation and to Transplant International, a non-profit organization that encourages the public to sign organ donation cards. Staff assistant general manager Life Reart, who profits that the team will raise between \$50,000 and \$30,000. "We are all thankful for the tremendous gift that was given to Cal. Without Cal, the Blue Bombers would lose much of their heart," he says. Murphy is one of the designers of the Bombers and chief of Major Organ Transplant Services at University Hospital, the campaign is a way to highlight awareness about the need for organ donors. With about 100 heart transplants, Murphy said, "Every organ wanted is another life lost."

PLAYING SAFE

The first Olympic medalist from western Yugoslavia made her mark last week—in a shooting event. Aneta Brdicki, competing as an individual because of war-torn Bosnia against her homeland, won the bronze medal in the 10m air rifle event. Then, she braced a bit but refused to give up. In a highly-placed Marina Stokich from the second Bosnia capital of Sarajevo—her residence in the days when both women were competing for a united Yugoslav team.

But Brdicki and Brdicki now have separate quarters as officials in international rule restrictions in war-torn Bosnia. In the 10,000 athletes from 172 countries. In the athletic village, competitors from newly independent Bosnia, Croatia and Slovenia are housed separately from those of the rest of Yugoslavia, and competitors from Iraq are kept apart from the Kuwaitis, as are Israelis from Arabs. "The Olympic Village is like a little world," explained an official. "All the peaceful differences in the world, we have here."

KITTY COME HOME

The story has the air of a sentimental novel—a tale of a homeless cat finding luxury in the shade of a charitable laugh but, but ending in tragedy. The star is a cat, adopted in years, that drooped as he lay near from his home in Ottawa's exclusive Rockcliffe Park area. Drought, the owner posts placards notices for anyone who has seen the wayward cat to contact her. For the next few days, there are no first leads. Then, a voice in the wilderness over the phone—from nearby 24 Sussex Drive. Respected Mahoney, the Prime Minister's personal secretary, has found the cat and contacted the owner, whose phone number is scribbled on a tag on the animal's collar. The owner arrives at the Mahoneys' official residence. Suspense builds as the cat-owner caters security guards but, after a brief explanation, she is given access to the property. There, years later, she returns the pet to the person owner, but despite the Mahoneys' success in keeping the cat safe and sound until its owner arrived, they could not save it from the ravages of old age. Two days after returning home, the cat passed away.



BY GUY AROCH/REUTERS

POP MOVIES

Top movies in Canada, ranked according to box-office receipts during the seven days ending July 30. (In brackets, number of screens/weeks showing.)

1. *Henry I Love You* (16/20) \$1,811,900
2. *A League of Their Own* (15/15) \$825,500
3. *Mr. Men* (7/17) \$730,000
4. *Universal Soldier* (25/27) \$622,000
5. *Sister Act* (36/37) \$622,000
6. *Unlabeled Entry* (15/15) \$220,770
7. *Batman Returns* (30/31) \$218,770
8. *Prehensile in a Film* (20/20) \$218,770
9. *A Stranger Among Us* (15/15) \$218,770
10. *Demolition* (33/33) \$218,770

(COMPARED TO PREVIOUS WEEK)

PASSAGES

LAUNCHED: Lamented by and against American gay star Michael Jackson, 33, Jackson used the *Daily Mirror* for the other London tabloid published a photo and printed a story in which the paper claimed that the performer's face has been disfigured by plastic surgery. The newspaper then said Jackson and his lawyer for him. It was claimed that the *Daily Mirror* had been disfigured in a press release issued by the singer's company that denounced the newspaper's report as "completely untrue." The exchanges took place as Jackson arrived in Britain for a concert tour.



Jack and Marlene Cooke: Bitten by zombies

Hit the road, Jack?

It is the offseason for the National Football League, but for Jack Kent Cooke, the 70-year-old Hamilton-born owner of the Washington Redskins, the summer has offered no respite. The U.S. Immigration and Naturalization Service has launched deportation proceedings against his 40-year-old fourth wife, Marlene Chabrier Cooke—who in 40 years has passed—related to a 1986 conviction for smuggling cocaine. And last month, angry Washingtonians, led by Mayor Sharon Pratt Kelly—who called Cooke a "billionsaire bully"—attacked him for cutting a secret deal with Virginia Gov. Douglas Wilder to move his Super Bowl championship team across the Potomac. Under the proposal, the state of Virginia will provide \$150 million for site development if Cooke builds a new stadium on an abandoned railway yard in Alexandria, ending Washington's commitment to change the relocation of part of the team from the Redskins to the Redskins.

It seems likely that Cooke's summer-time troubles will continue well into the regular season. Last week, the House of Representatives voted to freeze planning and construction of the proposed 23,000-seat stadium and an associated impact study is completed on the athletic and non-athletic Alexandria site. Legislators say that could take months or even years, effectively killing plans to complete the stadium in time for the 1994 football season. And with some area residents voting to fight the project because of fears that it will black traffic, increase noise and lower property values, Cooke may well be facing fourth and 10.

DEED: Much-decorated British war hero and humanitarian Lord Chichester, 74, who led the famous Dunkirk bomber squadron in the Second World War, was a successful businessman, a Canadian, knighted, in Canada, England, in one of the honours for the disabled that he and his wife, Sue Ryder, had founded.

DEED: William Lederman, 75, one of Canada's leading constitutional scholars and a former law dean at Queen's University in Kingston, Ont., of complications following surgery. He served as constitutional adviser to six Ontario Premier John Roberts from 1985 to 1991.

DEED: Anthony (Pat) Thelma, 30, a mafia boss and alleged head of New York City's powerful

Genovese crime family, of a strike, in a Springfield, Mass., prison. Salvo was convicted in 1986 of racketeering and related charges and was sentenced to 105 years in prison.

DEED: Public Welsh composer, pianist and teacher William Mathias, 57, of cancer, at his home on the Welsh island of Anglesey. He was best known for pieces he composed for the Royal Family, including his wedding anthem for the 1981 wedding of Prince Charles and Diana, Princess of Wales.

SEPARATED: British pop superstar Mick Jagger, 35, and Tennessee model Jerry Hall, 34. They have been partners for 15 years and have three children, but married only 35 months ago.

Is it really lightweight? Everything built-in? Easy to travel with? Are the manuals short and sweet?

386SX power? Mouse included? Do I get MS-DOS® 5.0?

Microsoft® Windows™? PFS: WindowWorks™ and Prodigy®?

Can I use this for years to come?

Oh—is there a fax/modem and the

software to run it? Is this part of a full line—notebook and

4 desktops? Can I call 1-800-4-HOME PC for the

dealer nearest me? How about a terrific low price?

So I'm choosing right the first time?

Choose the only notebook PC that answers all your questions.



ZENITH DATA SYSTEMS

A Bull Company

Thinking Ahead

ANOTHER VIEW



How many pines make up a grove?

BY CHARLES GORDON

As the weather tries to warm and the lakes become beautiful (and overcrowded) again, Canadians re-visit discussions into a new group of wilderness. There used to be only two. Now, there are at least three.

1. People who have problems.
2. People who think they have problems.
3. People who are not certain.

People who do have problems are the unemployed, the homeless, the poor—not as many in our country as in many others, but still too many—barnes who don't know what the crop will be or whether there will be a decent price for it even if it is as good and delicious as we are not allowed to fish.

People who think they have problems include politicians squabbling over the 97th draft of the 20th compromise version of the Triple E Senate proposal and voters protest against the alleged tyranny that keeps them from being there in public.

People who are on vacation are just driving along, wondering whether the next western roadshow will be as good as the last one, wondering what our star in the C.I. guide really means and trying to see how many things they can see, from one end of Ontario to the other that are named "Pine Grove."

Of course, the people on vacation are also looking at the lake, the pine grove, and the surrounding area and all that Group of Seven stuff, thinking of how durable the country looks when you get away from all the people who are whining about the world. It is in that of that durability in the beautiful and open spaces of the people who live away from the big cities.

Even away from the cities, surrounded by lakes and wooded areas, pine groves are still a problem. That's not even a Gooding in it. Some could solve it. In Northern Ontario, some are located up, sometimes at night along the highway are no longer necessary and the restaurants that serve the western

Charles Gordon has columns with The Ottawa Citizen.

People on vacation are thinking of how durable the country looks when you get away from the people whining about it

swimmers—the pine grove established with the stilled jack fish and picked on the walls—are actually only at lunch hour.

Crimes about Highway 17 north of Superior you could be hearing about why it's not changed with Canadian advertising. There was landscape instead of driving south of Superior for cheap gas. But it is more fun to watch for noise, as the highway signs above that you should, and it is more fun to negotiate the problems of the Pine Grove Hypothesis. Has driven this route since the previous last year and concluded that every community had a Pine Grove in it. It would not be for Pine Glen or Pine Cove. Could there be a core of pine? And certainly not Whimsical Pines. It was Pine Grove or nothing.

Newspapers encountered along the way carry echoes of the recent discussions in the spirit of Canada, in which means, protesting the situation of official anti-industry, and that their brains were not set on and should not have to be covered up. Men showed up at the demonstration, carrying banners and, inevitably, video cameras. This leads to the positive identification of a fourth solution—people who don't know their own problems, but do. (Newspapers also carried re-

ports on another possible number of that group, the number of national defense, who managed to spend \$4.4 billion on helicopters instead of problems.)

On vacation, you don't want to spend a lot of time on newspapers. Discussions of the great issues, such as official anti-industry, get in the way of discussions of other great issues, such as the product but steady shift towards of western values and preoccupations. The point is illustrated dramatically by the sign outside a general store near the northern tip of Georgian Bay. In the lot of various items available, the word "wheat" is followed by the word "wheat."

A view of the pine groves here to be derived from memory—such as the above shop on Highway 35 near Laidlaw, Ont., and the roadside rest area just inside Manitowish on Highway 1—but it is noted that the area is considered this year to have been there, if not actual groves, nearby. That is a sign of our continuing honesty as a nation, a quality that makes Canadians much in demand as peacekeepers. At the Pine Grove Motel in Manitowish, as at the Pine Grove Motel east of Sudb. St. Mary, Ont., and the Pine Grove Motel in Whiting, Ont., places listed overhead, although sometimes listed and open, too. Driving by, it is almost impossible to hear the voices of our pioneers saying by the roadside "Tay Pines Grove."

"Well, there's more groves. It should be Spruce Glen."

"I just said. There's look out that window. What about Spruce Glen?"

"OK, you win. Pine Grove it is. Should we call it Pine Grove Motel and South Cabin or Pine Grove Motel and Campground?"

On the question of public shortness, our federal government does not seem to be taking a position, at least as far as can be discerned from radio broadcasts mentioned on the way through most northern communities. Perhaps this is because our government has been too busy arguing with itself and various provinces over what aspects of nature self-government is to make for what aspects of which "it" is the Triple E Senate. The situation may have changed somewhat in recent days. It will make a difference that, when there are more demonstrations against official anti-industry, the government will be able to keep track of them in the best helicopter money can buy.

Somehow this year there don't seem to be as many Pine Groves. Perhaps there never were. Perhaps it was just a nostalgic trick of memory. On the other hand, there may be fewer this year—only six, or about two every 100 km. If so, what has happened in the road? Have they been forced to shut down by harsh economic realities and the car? Have they moved to the States, where wage rates are lower? Are they going all the way to Mexico?

A simple demonstration would be to get together with someone purchasing one more. Given a choice and a choice, the road is paved. But that will have to wait until winter is over. Meanwhile, there are other questions to ponder. Such as, why do all the dogs on a lake bark at the same time?

since Confederation, when there has been so much agreement on such a wide range of issues.

Over the next few days, it became apparent that Clark's stance was optimistic at best. Quebec responded politely—but only—to the proposals. In the federal cabinet, Clark found an unwilling ally collecting from senior officials, including Finance Minister Donald Maclean. Even Maclean's Minister of the Environment, Jean-Jacques Lussier, even made a rare public attack on the wording of the proposal to lower timber harvests. To make matters worse, provinces who had returned to their provincial capitals flustered with pride refused to consider any serious changes to the deal. Then, federal statisticians realized that they had to still order to cut provincial, to lower public expenditures and to take the national focus of the agreement. The explosion of July 3 was allowed to pass. Throughout most of the month, Ottawa delayed the call for the regional and provincial conferences. Officials in federal ministries were studying the fine print—and talking with the wording of their clauses in response to Quebec's queries. Officially, beyond the scenes, they began serious negotiations to rewrite large portions of the deal.

Maclean's has learned that federal officials actually considered—and then abandoned—a proposal to drop the whole issue of Senate reform and federalism and concentrate on the package. The two issues have clearly divided the entire nation: the redesigned Senate represented a highly prized victory for Newfoundland's Jean Vigneault and Alberta's Donald Getty, while aboriginal groups have threatened to campaign against any proposal that does not recognize their rights.

Instead, federal officials are trying to limit the definition of aboriginal self-government to address Quebec's concern that the current wording is too generous. Those officials are also seeking a new Senate formula. Maclean has learned that Quebec might accept a variation of a system that was discussed—and then abandoned—during the talks. Under the so-called Saskatchewan formula, each province would have the same number of senators, but an earlier issue the senators from larger provinces would have more votes. And Quebec has suggested an extra vote to that already complicated scheme: provincial legislatures, not the general public, would elect the senators. A more likely federal plan would be to return to regional, not provincial, equality in the Senate.

The secretive talks among Ottawa, Quebec and several provinces may eventually lead to workable compromises. But they have also aroused the anger and suspicion of aboriginal

groups and the government members of the Northwest Territories and the Yukon. They have been largely excluded from those discussions, although territorial representatives and aboriginal leaders will meet with Prime Minister Mulroney on the day after the Harrington Lake luncheon. As well, Quebec wants the power to block the creation of new provinces—

ity in general as their top concern. But Deputy president Allan George "You cannot truly understand this issue unless you understand the context of discontent, fatigue and an overwhelming desire to 'get on with it.' And so, opposing a deal is not good politics. As long as there is a sense that there is something in it for everyone and that no one got everything that they wanted, that would satisfy the public."

Ottawa is certain to explain, each political facts of life in its negotiating partners. Federal negotiators are also likely to consider provincial and better arguments that Quebec is the sole province that opposes the current deal by pointing out that many interest groups—such as labor and business—have expressed great misgivings about key aspects of the proposal. Also, Ottawa is likely to underline the real importance of Quebec to the province: although it is only one of 30 provinces, it represents one-quarter of the nation's population.

But the most powerful incentive for compromise may, ultimately, be greed—most participants stand to gain more money or power from any new agreement. The poorer provinces, in particular, have obtained a vital economic package. They would get more control over the way that Ottawa controls its regional development. They would also receive a strengthened federal commitment to equalization payments, which fund public services in the poorer provinces. And New Scotia negotiators also obtained a commitment to "conservable" renewable resource infrastructure. Although the phrase has baffled many observers, it could force the federal government to provide its poorer provinces with sophisticated infrastructure such as fire-fighting vehicles and pipelines, which must be weathered parts of the country.

In the end, the political and financial effects of a constitutional accord may prove to be reaching and perhaps unacceptable to the nation at the long run. But there may be short-term financial gains for most participants. While few federal Conservatives say that they expect to be lured to by new for advantage and interest, most of them point out that an accord would free them to tackle some of their pressing concerns. But, said Governor Adams, "The Conservatives are not unpopular for a good reason: we are the constitutional problem are only one of those reasons. Its solution will be seen as politicians serving a problem of their own making. I do not think that there will be much of a problem. There may be a sense of relief." Even that prospect may be enough incentive to produce an accord over the next several weeks.

MART JORGENSEN and NANCY WOOD in OTTAWA



Maclean: a fragile and uncertain federal strategy

a promise that was contained in the short-term Meach Lake agreement. That move has provoked furious denunciations from Yukon Premier Lorne Martin. "What the hell business is it of theirs?" he said. "It looks like the feds are in and the North is going to get screwed again."

But the slower disposition to get an agreement may eventually prove to be a disaster. Federal polls have consistently shown that less than 20 per cent of Canadians—and less than 10 per cent of Quebecers—view the constitutional process as a national priority. Instead, Canadians are deeply worried about the economy: more than 50 per cent cite job and the econo-



Cournoyea in Yellowknife: 'I have to go to the full limit—it's just habit'

Guarding her territory

Cournoyea enters the constitutional fray

For Northwest Territories Leader Nellie Cournoyea, the current round of national talks offers a long-awaited opportunity to assert the North's role in Confederation. Shunned on territorial leader last November, she is the only woman at the constitutional table and the first aboriginal woman to lead a provincial or territorial government anywhere in Canada. Maclean's Associate Editor David Thompson recently interviewed Cournoyea in Yellowknife on her life and her aspirations for renewed federalism. Her report:

After a long day of handshakes with cabinet ministers, Nellie Cournoyea leans over the luncheon table in her modest bungalow in downtown Yellowknife. Dressed in a red jacket and dark blue pants, Cournoyea is preparing a late-evening dinner of fresh turkey, beefed potatoes and mixed vegetables. But she appears casual—or unrelaxed—in her politeness completely behind her. Cradling a telephone on her left shoulder, Cournoyea carries on an hour-long conversation with a former MLA about the political machinations of the territorial legislature as she attends to her cooking. The territory reflects the workaholic traits and unassuming way of the 52-year-old Cournoyea's most striking characteristics. "No matter what I do, I have to go to the full limit," she said. "Even if it's not a whole lot of money, I'll think, 'Oh, I can work one more hour.' Pretty soon it's three hours before I have to get up again. It's just habit."

Cournoyea traces her prodigious work habits to her upbringing in Yellowknife among the Inuit—the Inuit of Canada's Western Arctic. The daughter of a Norwegian-born trapper

and an Inuit woman, Cournoyea travelled by dog sled with her family as a child while they hunted caribou, moose, seal and other wild life along the Arctic coast. "No matter how young you were, you were expected to help out," recalled Cournoyea. That sense of involvement, she adds, is often missing among young adults—and may be one reason why residents of the Territories suffer alarmingly high rates of suicide, alcoholism and family violence. Said Cournoyea: "People don't feel that they are worth anything."

Since her election as leader by the Territories' 26-member elected House of Representatives, Cournoyea has devoted most of her efforts to strengthening government operations and handing over more responsibilities to community leaders. The territorial leader says that the actions are designed to cut costs, but they also reflect her personal philosophy. "The less government you have involved with your life," she said, "the better off you are."

Cournoyea has delegated most of the day-to-day negotiations on the national unity front to her intergovernmental affairs minister, Stephen Kordoff. But with the talks entering a crucial phase at this week's first ministers' luncheon, she remains committed to preserving the fragile consensus reached among the federal government, the nine English provinces and the territorial leaders on July 3. Along with Yukon Leader Tom Penikett, Cournoyea urged the first ministers to honor their agreement, which states, in part, that the Northwest Territories and the Yukon should be allowed to achieve provincehood with the consent of Ottawa alone. However, Quebec continues to insist that it must have the same vote over the

ATTENTION: TEACHERS

Maclean's In-Class Program

"I recommend this highly great learning and teaching method..."

Don't let your students miss out on this opportunity

You know that good teaching material isn't always easy to find. The fact is, students need to read Maclean's, and that makes it a valuable teaching tool for you. A subscription to the In-Class Program gives you:

- Maclean's every week for just 50¢ a student copy!
- FREE Student's copy for you
- FREE Weekly Quiz and Answer Sheets
- FREE Monthly Teacher's Guide
- FREE Monthly Indexes
- FREE GIFTS: A guaranteed wall map of Canada plus up to a Maclean's Resource Unit.

Use the coupon below for more information: name _____, address _____, city _____, province _____, zip _____

FAX: 1-416-596-2510



YES! Rush me more information about Maclean's In-Class Program.

Name _____ School _____ Address _____ City _____ Prov _____ Postal Code _____ Preferred Price _____ Telephone _____ Grade taught _____

Clip & Mail to: Maclean's In-Class Program, 777 Bay Street, Toronto, Ont. M5W 1A7

creation of new provinces that it enjoyed under the ill-fated 1867 Mealy Lake accord. It is a portion that clearly angers Cournoyea. "Quebec would have a veto over everything and not because they care one iota for us," she told Maclean's. "It will always be a Montreal position. If you give us this, we'll give you that. We find this intolerable."

Cournoyea is a fiercely independent woman. At 37, after completing Grade 10 through correspondence courses, she entered a Canadian Forces officer based in Inuvik and spent the next three years accompanying him to postings in Halifax and Ottawa. Shortly after returning to the North in the early 1960s, they divorced. Cournoyea, who has not remarried, worked with the CBC in Inuvik as a radio manager and later as regional manager while raising her two children, John, now a 23-year-old N.W.T. tourism officer, and Maureen, 30, a territorial government administrator.

In the 1970s, Cournoyea acted as a key negotiator for the Inuvialuit, who were then working towards a comprehensive land deal with Ottawa. To help ensure the success of the talks, which was finalized in 1984, Cournoyea contested and won a seat in the territorial legislature in 1979. After occupying a number of senior cabinet posts and winning a fourth term by acclamation last fall, she was elected governmental leader.

Her personal tragedies became legendary in local circles in 1988, when she encountered a man ascending an elderly woman on a Yellowknife street. After yelling at passers-by to call the police, she drove the confused woman by backing him up the street and breaking his nose. The next day she appeared in the legislature—despite a black eye and bruised ribs.

To her friends and colleagues, Cournoyea's capacity for work is equally legendary—and sometimes a source of concern. "I have acquaintances who work any harder or who seem to be so totally absorbed at what they do," says CBC Radio host Peter Gosselin, who last met Cournoyea during a visit to Inuvik in the early 1970s and who has kept in touch since. "At some point, she simply has to be put out." Alleviating those concerns, however, is what Gosselin and others describe as Cournoyea's very sense of humor and the clear pleasure she takes in other people. "Her house is never empty," marvels Gosselin. "She is always laughing, and laughing freely. She is no giggler, just only with her time, but with her heart."

McCauley adds that Cournoyea's status as the Territories' first woman leader is one of her strongest political assets. "With the men, it's always the same Old Boys club scratch-top back and I'll scratch yours. He'll be a do-nothing person and won't put up with any of that." For her part, Cournoyea disagrees with a laugh any suggestion that her gender makes a difference in dealing with her male counterparts around the constitutional table. Says Cournoyea: "I think our agenda has been so full and the do-nothing so critical that no one had time to think about whether I'm a female or not." □

WE
CHALLENGE
YOU TO
AN O'DOUL'S.

(Actual size of bottle)

O'Doul's has the mark that other 0.5% beers have been missing.

Carefully brewed by Anheuser-Busch, O'Doul's is fully fermented and cold aged. Then the alcohol is removed naturally to less than 0.5%. And O'Doul's contains less than half the calories of regular beer.

WHAT BEER DRINKERS DRINK WHEN
THEY'RE NOT DRINKING BEER.

YOUR COUNTRY

Get the whole story! Comprehensive coverage of the events and issues at the top of our national agenda (not only what's going on, but why)... and Canada's most fascinating people, hottest arts, hottest sports stories, biggest business deals and newest trends too. Plus science, the markets, entertainment, books, the environment—and the amazing (often aggravating) opinions of Barbara Amiel, Peter C. Newman and Dr. Foth!

AND THE WORLD

Beyond Canada's borders, from Abu Dhabi to Zagreb—wherever world-shaking events are happening—members of Maclean's team of over 300 writers and correspondents are there, ready—like no other news-gathering organization—to provide a unique angle on how these events could affect Canadians!

EVERY WEEK

Each issue brings you on the page seven days—and prepares you for the next—including important news that the dailies won't dig for, truths that TV doesn't have time for, and a Canadian point of view simply not obtainable from any foreign-based magazine... all of it up-to-date, accurate, complete—and marvelously entertaining too!

ALL YEAR LONG

A relaxed hour or so, spent with each new issue of Maclean's, will keep you on top of everything that's important in your world. The "reader friendly" design format allows you to quickly, efficiently access the news that most interests you. No wonder more Canadians get their news and analysis from Maclean's than from any other single news source!

JUST 77¢ AN ISSUE

Now you can get all of this—for a whole year—at two-thirds off the cover price: Just 77¢ a week. Why let another week go by without Maclean's? Mail in the card opposite or the coupon below—today!

And it all starts here!

☒ Save me money on Maclean's

Start delivering all the insight, information—and entertainment—in each issue of Maclean's to my door each week—and bill me just \$99.05 (GST included) for a year's worth. That's 52 issues of Maclean's at two-thirds off the cover price!

Name

Address

City Prov. Postcode

☐ I prefer to pay weekly charges. Or charge my ☐ Visa ☐ MasterCard ☐ American Express

Amount enclosed

Money order Payment

Clip and mail to: Maclean's, Box 1023, Postal Station A, Toronto, Ontario M5W 2B3

(Offer valid only in Canada and US/2000 in Quebec, price is \$101.95 elsewhere)

80000

On the spot
news that's
relevant
to you!

Canada's
preferred
news
source!

Why pay
more...
act it out!

THE SEARCH FOR ENEMIES

IS A SHOWDOWN
WITH SADDAM
HUSSEIN PART OF
GEORGE BUSH'S
RE-ELECTION
STRATEGY?

The film script reads on a probably improbable premise: As American president, in search of foreign enemies against which to unite the nation, decides to reevaluate his required new foe. With a calculated propaganda tilt, he whips up a public frenzy calling for the invasion of his country of choice: Canada. That is the plot line of *Canadian Doom* by Michigan filmmaker Michael Moore, whose last 1993 documentary, *Rugby and Me*, took on General Clinton. Scheduled to start shooting this fall, Moore explained his comic case for the selection of Canada to *Newsweek's* last week: "When all, Canada has a lock on the world's largest supply of pussy men," he pointed out. "They're taken over Hollywood and they're a Red Menace the New Democratic Party stole 53 per cent of the population up there." The satire was inspired by Moore's outrage at the White House campaign to denounce Iraq President Saddam Hussein before the Persian Gulf War two years ago. The film-maker found the strategy overblown last week with renewed threats at U.S. air strikes against the leader when President George Bush was again calling the "blatantly faulty." Said Moore: "Bush is trying to scare himself. They need the enemy again for the election."

In fact, most foreign-policy experts blamed the Iraq president, not Bush, for provoking the latest crisis. But as Moore's skepticism about the gravity of events seemed to be largely shared by an American public increasingly disenchanted by revelations about the Gulf War, he provided a telling barometer of just how dramatically the political climate has changed for the established Bush. Last week, with the approach of the second anniversary of Hussein's invasion of Kuwait on Aug. 2, the President once hailed as a foreign-policy genius for orchestrating Operation Desert Storm

found himself pilloried even by members of his own party for outbalancing his most vocal sound of leadership with the Iraq dossier.

In a week when Bush's domestic fortunes plunged to a humiliating new low—with some leading conservatives urging him not to run for re-election—his attempt to find refuge in foreign-policy triumphs just turned into a leap through a political minefield instead of underlining Bush's strength, the three-week standoff against Iraq served as an unrelenting reminder that Hussein remains at power, the prize price of unfinished Persian Gulf business.

Despite international sanctions, the Iraq leader has managed to rebuild much of his country's bombed-out infrastructure. But more than that, he has proven to be no slouch in the war of nerves and propaganda. Hussein celebrated his success in deterring the threat and timing for a United Nations inspection of the Iraq Ministry of Agriculture—stated at uncovering evidence of nuclear or biological weapons—by showing off his troops with a well-publicized "victory event" at the Tigris River.

Last week, one diplomat, who requested anonymity, told *Newsweek's* that the tension, plus similar spectacles of Iraq facilities on short notice over the coming months as an effort to reassure UN inspectors. That, in turn, risks new tensions once more. But most analysts said that even an eventual allied bombing strike against Iraq might not work to Bush's desired advantage. "Probably, the risks are probably greater than the benefits," said Peter Rodman, a former Bush aide now at Washington's Johns Hopkins University. "It's very unlikely you can remove Saddam Hussein from power. And if you don't, the American people will still think it's a failed policy." Or, as



Iraq's Hussein: staring down a determined enemy

Modeline Albright, president of Washington's Center for National Policy, said a sometime adviser to Democratic party candidate William Clinton, put it: "If Bush has to go in and bomb Iraq now, he may only get out by that he screwed up the first time. It may be a no-win situation."

Certainly, no-one situation was becoming increasingly familiar to a president who seemed dogged by disaster at every turn less

than 100 days before the Nov. 3 election. First, a poll revealed that in the former Republican party stronghold of California, the state with the largest harvest of the electoral college votes that determine the presidency, Clinton had leapt 34 points ahead of Bush. Then, a senior Florida Republican chairman took out full-page newspaper advertisements across the country warning the message, "Stand Aside"—a last-ditch aside according to Vice-President Dan Quayle to reluctantly remove himself from the race. Demands for Quayle's withdrawal

Washington Post's high-profile conservative columnist George Will, along with Virginia dance-music tycoon Richard Vagstad, issued public calls for Bush himself to stand aside. Sen. Jesse Helms of Washington's conservative Heritage Foundation. "At this point, conservatives do not think a Clinton administration would be much worse than a Bush administration."

Underlining the current panic in Bush's campaign was the informal confirmation by White House aides that Secretary of State James Baker would relinquish his clambered cabinet portfolio later this month to take charge, as he did in 1980 and 1984, of his old friend's election campaign. But as AI-bright pointed out, that action in itself raised more questions about the latest campaign theme. "If foreign policy is so important," she asked, "then why has Baker gone to the White House?"

As well, there were grim developments on the domestic economic front. New government statistics confirmed that the nation's economy was mired in stagnation—the projected annual growth in gross domestic product shrank from 2.9 per cent in the first three months of the year to a meager 1.4 per cent between April and June.

Even Bush's attempts to shore off his land-use crisis in a conservative style, ironically took an unexpected slipper turn. Cancelling a planned campaign trip to Nevada with top aides at Camp David, his Maryland retreat, he had ordered the senior attorney John W. Kennedy to go to the Persian Gulf to such short notice that its captain left 50 crew members behind in the U.S. Virgin Islands.

Then, after Hussein finally allowed the UN team into his ministry of agriculture, defying the crisis, one former member of the inspection group told a Washington source that the whole incident may have been based on a misreading. "He decided that his weapons inspectors had demanded immediate access to the building without realizing that it was an Iraq ministry headquarters—one of the sites that UN officials had earlier pledged they would inspect only with great discretion."

Even White House spokesman Martin Fitzwater's attempt to capitalize on the Iraq standoff by pointing to Clinton's lack of foreign-policy experience left the noted master of spin

World Notes

UP AGAINST THE WALL

Rich Houshner flew to Berlin after leaving his embassy in Moscow where he had been in exile for eight months. Houshner, the former Communist president of East Germany who oversaw the making of the Berlin Wall in 1961—and who said his country just weeks before the wall fell in 1989—now faces that 70 charges of manslaughter and attempted manslaughter for the killing or wounding of citizens who attempted to escape to the West during his 10-year presidency. A special police unit that escorted the deposed East German government's archives said last week that at least 350 people, nearly twice the previously documented number, died while fleeing the Communist regime.

ON THE MOVE

In a scaling continued in the beset Balkan capital of Sarajevo, Canadian peacekeepers began piling out, returning to supervise the peace in neighboring Croatia. Replacing them at the end of their month-long mission were troops from France, Ukraine and Egypt. And the United Nations reported that the number of refugees in the former Yugoslavia had surpassed 2.5 million.

CHARGES OF BRUTALITY

Dr. Jonathan Chodura, a pathologist who examined the bodies of 250 prisoners who died in detention in South Africa, said police were responsible for about 90 per cent of the deaths. The government promised to investigate but denied the doctor's further claim that the police are "out of control." The African National Congress—which has accused the government of complicity in violence that has killed 15,000 blacks since 1984—and that Chodura's revision confirmed police brutality was widespread.

A FINAL FRONTIER

A joint Russian-French crew arrived at Russia's decommissioned space station, after a two-day trip in a Soviet TM-03 spacecraft, to perform repairs that would prolong its life. And as a symbolic departure from the country's Communist past, the members of the mission will remove the red banners of old Soviet flags from the six-year-old station.

JOINING A MANGUET

The U.S. defense department sent an undisclosed number of military personnel and equipment to Colombia to help in the fight against drug cartels. The capital leader Pablo Escobar, who escaped from prison on July 22,

control red-tiled. Seizing on a little-outlet statement by Clinton on the Italian conflict that called for the re-suspension of strikes against Serbia, Clinton's chief counsel, Robert L. Byrd, Jr., wrote Clinton's "no-fly" order—only to be denounced by Indiana Senator Richard Lugar, who pointed out that he and fellow Republicans had advocated stronger positions. In fact, the very opposite. Byrd was Richard Lugar's

deputy secretary. Richard Lugar was arguing a case similar to Clinton's before Congress.

Clinton's attempts to underline his qualifications were no more successful. On a campaign stop in Wyoming, his dramatic intent to have "the gun" to handle post-invasion calls to the White House. "Carrying arms is a cop in a powerful country or mixing how we should stand up to a bully halfway around the world" led to a spate of television ads. In the next eight talk-show hours, after in Arkansas, Clinton declared that the next day's television was not war, but peace, not war, but peace. "Yes, the phone is ringing. My President," he said. "And it's been ringing for a long time."

Supported by Gore and Jimmy Carter, the last Democratic president, Clinton reaffirmed his support of Bush against Iraq but accused the White House of trying to poison foreign policy. His base in contrasting the Republican stance on its foreign policy expertise showed a determination to offer the same line as the 1988 Democratic nominee, former Massachusetts governor Michael Dukakis. Four years ago, Bush's television ad targeted Dukakis's vulnerability on national security issues by featuring footage of the raid on the Iraqi oil tanker, Iraq's only oil tanker, Iraq's only oil tanker, Iraq's only oil tanker. Another reason for Clinton's apparent confidence is that, with the end of the Cold War and the disintegration of the former Soviet Union, foreign-policy issues have lost their urgency. Still, Al Gore's "What people ask me when I'm different now than in 1988. I have to laugh. The answer is everything. What we see is an electorate most concerned about what is going on in the economy."

Most experts agree that foreign policy is an unresolvable presidential vote-winner. But if, as many policy analysts, voters will "voluntarily" give a candidate a margin of victory. Clinton's own image may prove unexpectedly

vulnerable. Democratic campaign commercials could make devastating use of images of Bush's embarrassing collapse at a Tokyo state dinner in January. And his once-estimated status of Democratic strongman (Mike) Nunn lost at home as Bush won state during a Persian takeover forced Bush to retreat from a rally in the arms of Secret Service agents.



Gore (left) and Clinton campaigning; stealing back at Bush with lightning words of their own

disoriented and blinding back that gap. Even Bush's ambiguous strategy in economic aid on allied countries for Operation Desert Storm has been turned over the past two years by a series of unsettling revelations that have led to a re-examination of just how that war was waged. In April, a bipartisan congressional study reported that, contrary to the Pentagon's claims during the war that Saddam had moved 500,000 Iraqi troops to Kuwait and southern Iraq, the real number was closer to 100,000. But many congressmen, that created a sense that, like the American public, they too had been targets of a concerted administration propaganda campaign to draw up support for military action.

But most damaging to Bush's reputation for foreign policy is how he has been the target of investigations of Democratic Texas Representative Henry Gonzalez, who visited in Gore's 1990 presidential campaign. For the past two years, Gonzalez has spent hours every week following a usually angry Bush campaign, visiting into the congressional record the fruits of his inquiry into how U.S. taxpayers unwittingly financed

Bush's arms buildup. Taken together, and supported by a bank of classified evidence, his 30 speeches offer a devastating chronicle of how the Bush administration knowingly funded a covert program to help Iraq. In 1983, the eve of the Gulf War in 1991, arranging for \$4 billion in aid disguised as U.S. agricultural export credits to be funnelled through the



PEOPLE

THE HIRSUTE TOUCH

British rocker Elton John has earned a reputation as one of music's most enduring acts. He's almost an unknown for his own qualities—multifaceted talents, platinum sheets and outlandish hair. But in June, the 45-year-old singer, whose hair had thinned in



John sporting a youthful new look

recent years, appeared on the cover of his latest album, *The One*, sporting a new fashion enhancement—a thick, feathered mop. John, who on Aug. 11 will take his act and his cut as a two-month North American tour, reportedly paid \$52,000 for the high-quality wig. After more than two decades of success in music, he can clearly afford a little luxury.



Putting rumors to rest

Kelsey Swanson emphatically denies recent, tabloid speculation about her love life. "No, I am not going out with Luke Perry," Swanson, 22, said of the *Beauty 101* 1992 TV heartthrob. "I keep reading that I am going out with him, but no one told me." And while starring opposite Perry in an independent Valley Girl in the comedy-horror movie *Shy*, the blonde singer was clearly not a test of her relationship with her writer-director boyfriend, Jonathan Kahn. Swanson said that it was a challenge to her dramatic ability. "I'm not like Buffy," she said. "I mean, I don't hang out at night—shopping isn't my main attraction in life."

Swanson: "no one told me"

A fallen star

American decathlete Dan O'Brien languishes in a dark chair. "Now that I've got some free time," he says with a grin. "The happy days are back." That is a far cry from a lonely, lonely version of the ubiquitous *Rocky* feature TV ad that featured O'Brien and competitor Dave Johnson training for the Barcelona Games. The gold medalist, however, before the Olympic trials in June, O'Brien failed to make the U.S. team. And a bad to return home at a July 25 to 26 double meet—O'Brien ended strongly when he finished with a score left arm. He still made it to Barcelona—in a competitor he hit. Said O'Brien: "I just say it was just my day."



O'Brien: time for prize time

Gambit for a recluse

Twenty years ago this summer, a sleek 29-year-old from Chicago defeated Spanish Boris Spassky to become the first American world chess champion. But the lightning did not become Bobby Fischer and, two years later, he

abruptly left international competition. Living as a recluse in California, he has not played a game in public since. But last month, Belgrade back over Jennifer Aniston's announcement that he had signed Fischer and Spassky, now 35, for a \$5-million rematch, to start on Sept. 2. It



Fischer in 1971: controversy

ARTFULLY IMITATING LIFE

For most of his life, award-winning freelance journalist and columnist Harry Bruce has lived by the pen. And now, the *Nova* Scotland-based writer has released his 11th book, *Man: Bruce's new volume is a biography of Lucy Maud Montgomery, creator of the hugely popular Anne of Green Gables series. After studying Montgomery's journals, Bruce drew parallels between the author's life and the life of Anne, the invisible Prince Edward Island youth who often and out of trouble throughout the novel. Unlike Anne, however, Montgomery suffered from "tormented bouts of suicidal misery," according to Bruce, who added: "I had never read Anne of Green Gables before I accepted the job. And I enjoyed it more than I expected any 60-year-old possibly could."*

takes place in Yugoslavia as planned, the match may violate UN sanctions against that country. In his playing days, however, Fischer thrived on controversy, and his chances of winning are good. Said Hal Bond, executive director of the Chess Federation of Canada: "There is no doubt in my mind that he will kick Spassky's butt all over the room."



Seven (left), Hills and Wilson: conferring logistical nightmares while negotiating a North American Free Trade Agreement

BUSINESS

TRADING POSITIONS

On the rare occasions that they appear in public, the Canadian, American and Mexican officials negotiating the terms of a North American Free Trade Agreement (NAFTA) wear cool and confident. But behind the scenes, many acknowledge that their translated lives are anything but easy. Last week, after working through a south-coastline weekend, many took an overnight flight from Mexico City to Washington, where talks resumed the next morning. There, new logistical problems swirled. Their meetings were scheduled for numerous locations

TRAVEL-WEARY TRADE OFFICIALS ARE FIGHTING THE PHONES AND FATIGUE IN PURSUIT OF A NAFTA

throughout the capital, making it difficult for the 80-member Canadian team to stay in close communication. Some visitors took place in the Windsor Building, which served as campaign headquarters for the Union Army during the Civil War. The Windsor has few meeting rooms, which forced negotiators to spend hours waiting in corridors until they were needed. "We have to have all your calls even when you are very tired," said one senior Canadian official who asked not to be named. "Morale is good, but I think we'll all be glad when it's over."

The negotiations had then lasted 13 months. President George Bush, intent on strengthening his image as a world leader and improving

his plummeting popularity at home, has said that he wants to sign an agreement with Prime Minister Brian Mulroney and Mexican President Carlos Salinas de Gortari before the Nov. 3 presidential election. U.S. Trade Representative Carlos Cilla had once seemed to reach agreement by the beginning of August. At the end of last week, by then meeting in the over-sold Windsor Watergate Hotel beside the Potomac River, it was still uncertain that trade officials could meet that deadline. Although chief negotiators reported progress in some key areas, including agriculture and autos, several contentious issues remained unresolved. After waiting on standby in their home countries throughout last week, Canadian Trade Minister Michael Wilson and Mexican Commerce Secretary Jaime Serra Piché flew to Washington at week's end, but postponed a Saturday-night, dinner meeting with Cilla to their officials' logistical woes.

To make the complex bilateral talks more manageable, negotiators from the three countries sometimes held bilateral talks instead. That strategy backfired last week when U.S. and Mexican negotiators reached agreement in principle on trade in cars and autos. The tentative auto agreement would phase out, over 13 years, Mexico's highly protectionist laws that require U.S. automakers in Mexico to export 82.80 percent of vehicles for each \$1.1 billion they export.

In return, the United States agreed that, also over 13 years, Mexico could gradually phase out a requirement that cars made there must contain Mexican-made parts representing 36 percent of the vehicle's value. Norman Clark, president of the Toronto-based Motor Vehicle Manufacturers Association, which represents the Big Three North American automakers in Canada, said that any deal made with U.S. automakers should also automatically apply to Canadian manufacturers.

But while Canada could benefit when Mexico opens its tough restrictions on auto and auto-parts imports, Clark said that the highly emotional issue of the so-called rules of origin must still be resolved. Under the 1988 Canada-U.S. Free Trade Agreement (FTA), vehicles have to contain 55-per-cent North American content to qualify for duty-free access to the United States. U.S. companies, however, want to raise the domestic-content level to at least 60 per cent to prevent Asian automakers from opening assembly plants in Canada or Mexico and simply putting cars together with overseas parts. They have to park and the United States are already embroiled in several disputes over Canadian cars shipped across the border.

That is because the FTA only lets local companies of expenses that qualify as North American parts of production, the rules are

subject to interpretation by customs officials in each country. Clark said that to avoid such problems in the future, NAFTA language on rules of origin must be much more specific. He added, "We need clear rules, understood by all, and a method for resolving most member-standards, such as a bilateral dispute resolution panel."

Still, federal New Democratic Party leader Andrew McLaughlin said last week that a leaked portion of the proposed NAFTA agreement shows that Canada has failed to gain significant improvements in providing free trade disputes. He added, "The whole reason we were given the Canada participating in this was to get a better deal."

Under another tentative bilateral agreement reached last week, Mexico will be able to gradually increase its sugar exports to the United States. Sandra Mariscal, president of the Toronto-based Canadian Sugar Institute, said that it was not immediately clear what impact the agreement would have on the Canadian refining industry. But any increased U.S. quota for Mexico would likely lead to a reduction in quotas that the agriculture department sets for other sugar-producing nations.

Despite the occasional glitches in procedure during the protracted negotiations, most participants say that previous free trade talks between Canada and the U.S. provided good practice. One top official says that they are also benefiting from better technology than they had during the FTA talks. Now, most negotiators are working with portable laptop computers. Instead of exchanging piles of background papers, officials are able to trade one another electronic data in general, information is now available more freely and widely to interested parties. Spokesmen from industries with a keen interest in the talks said that the Canadian negotiators have kept them informed of every move development. And Clark, "With the FTA, there was too much secrecy. This time, the process has been very good."

Jack Kinsella, president of the Canadian Apparel Manufacturers' Institute, agrees that the Canadian negotiators have improved their communications with industry. But the end result could still be disappointing for the beleaguered Canada clothing industry, said Kinsella, who is also president of Jack Spratt Manufacturing Inc., a Montreal-based jeans and work-wear maker. U.S. officials are pressing for new rules that would restrict the foreign firms' use in Canadian-made clothing designed for export to the United States or Mexico. Added Kinsella: "Unless the Canadian negotiators find a way to move the Americans off this point, we could be stuck with it." Meanwhile, for the trans-union negotiators, balancing all the demands placed on them as well as the various interests they have to please before they can escape from the quick-march orders that are making their lives.

BARBARA NICKERSON with LUCY COOPER in Mexico City and WILLIAM GOWEN in Washington

Business Notes

WASHING OFF BANKRUPTCY

Managers for Toronto-based Breville Ltd. announced that the real estate development company had reached a tentative agreement with Canada's five largest banks in an attempt to prevent the possibility of Breville's bankruptcy. Under the proposed accord, the banks, which hold almost 46 per cent of Breville's \$4.9 billion worth of debt, will help provide financial support over the next five years. The deal was announced on the same day that Breville defaulted on \$310 million worth of senior debentures.

NEW BEER BATTLES

United States trade officials rejected Canadian attempts to have the 160-member General Agreement on Tariffs and Trade Council resolve the long dispute between the two countries at its meeting on Sept. 29. U.S. representatives warn that Ontario's trade policies are costing U.S. brewers more than \$80 million a year in lost revenues, and that Canada's offer to abide by a GATT ruling was only a stalling tactic.

STRIPPED OF ART

Justice Lee Pinner of the Ontario Court's General Division ordered Robert Campese to give up eight paintings—worth about \$120 million—which were hanging in his Toronto mansion before he was deported as chairman of Campese Corp. in August, 1996. Court documents showed that Campese acknowledged that the paintings, including works by Emily Carr and Cornelius Kneibell, belonged to the company.

MAILED FINANCING

A survey by CIMA/IDA, a Toronto-based construction forecasting firm, showed that total construction starts in Canada for the first half of 1997 started up five per cent lower than the year ago. But the survey also showed that the amount of money developers spent on new construction had actually declined by eight per cent from the investment levels of a year earlier.

THE COSTS OF STREAMLINING

The financially troubled Hamilton-based steelmaker Dofasco Inc. declared that its efforts to streamline operations are costing it millions of dollars. The company reports that it lost \$65.8 million in the second quarter of 1997, almost all of which was a result of closing its foundry and the after-tax cost of early retirement programs for about 2,000 employees over the past two years.

"Quite simply, there is no quieter, smoother car available for the same price anywhere."

Auto Express, Great Britain

"This cockpit - like all Lexus cockpits - ranks as one of the finest in the auto kingdom."

Car & Driver, United States

"Lexus drivers are effectively shielded from noise, be it mechanical, wind or road generated."

Motor Magazine, Australia

"...the driver's seat is the central command post for an electronic utopia."

Road & Track, United States

"If you take into account value for money as well as standards of refinement and luxury, the Lexus has no rival."

Financial Times, Canada

"Yesterday, an upstart. Today, the benchmark."

Automobile Magazine, United States

"It's hard to believe any internal combustion engine could be so incredibly smooth."

Wheels, Australia

"Europe's best are going to have a real fight on their hands. Europe's second best will be looking for merger partners."

Automobile Magazine, United States

"...the automatic transmission shifts as if your mind were operating the lever telepathically."

Car & Driver, United States

"The Lexus V8 and its nearly vibration-free driveline simply set a new standard for combining horsepower with civility."

Vancouver Province, Canada

"...one of the best cars in the world."

Fortune, United States

"The 8-cylinder Lexus motor runs as smooth as silk and impresses with its superior acceleration."

Auto Magazine, Germany

Most Of The Others Were Simply Left Speechless.



Automotive journalists from around the world have been singing the praises of Lexus. To discover why, please call 1-800-26-LEXUS for the name and location of the dealer nearest you. Like the reviewers, you won't stay impartial for long.

 **LEXUS**
The Relentless Pursuit Of Perfection.

Royal Canadian Air Wars

A PROPOSAL FOR A SHOTGUN MARRIAGE BETWEEN THE TWO MAJOR CARRIERS PROVOKES ALARM

I t was one of the most difficult telephone calls that Rkyr Byers ever had to make. On Saturday, July 25, the 56-year-old chairman of PWA Corp., the Calgary-based holding company that owns Canadian Airlines International Ltd., telephoned his archrival, Claude Taylor, chairman of Air Canada in Montreal, and offered to increase the merger negotiations that PWA had terminated on March 19. Despite the last words and aggressive competition between Canada's two national carriers in the intervening months, Byers had reached the end of the line in his attempts to save his faltering airline. Just hours before, his board of directors had overruled him and strongly stopped a long-contested deal with American Airlines Inc. of Dallas. And both federal and provincial levels of government had rejected appeals from PWA for financial assistance earlier that week. "We are exceedingly far into Air Canada's work camp," said PWA spokesman Jack Lawrence. "Our 15,000 employees are very shocked and disappointed by the development."

The concerns of PWA's employees were similar to those of many other Canadians as the negotiations between the two airlines, shrouded in secrecy, began last week. The most immediate cause for alarm was the looming prospect of a merger as a savior that Ottawa began to disintegrate just eight years ago to promote more intense competition. That was part of a general government program of deregulation that has

caused significant upheavals in Canadian businesses ranging from 5-star to trucking. Now, with the prospect of having only one major airline in Canada, consumer groups and government opponents either complained about missing services, the reduction of service to remote areas of Canada and the survival of frequent-flyer plans. And unions for employees of both companies were ending over fears that a merger would eliminate 15,000 jobs across the country. Said John Manley, transportation critic for the federal Liberals: "The governments of Canada should have intervened some time ago to stop the war of attrition that has led to this. They should not have stood by and watched the airlines fight to the death."

Although neither airline has been pronounced dead yet, they are both on the critical list. A fierce domestic rivalry has grown more intense because of the recession-derived air-travel market and by increasing international competition. And while they have been fighting each other with cutthroat seat sales, the companies have also had to also spending costs and estimate thousands of jobs. PWA has been struggling to digest its \$245-million acquisition of Wardair Inc. in 1990, while Air Canada, a former Crown corporation, has had difficulties adjusting to life as a public company.

Losses: The toll of those efforts is reflected in the airlines' respective financial performances. Air Canada lost \$223 million in 1991, while PWA lost \$142 million. In the first three months of this year alone, Air Canada lost \$164 million and PWA \$74 million. Those losses, combined with previous debt levels, amount to more than \$4.5 billion. Over the past five years, investors have bought about \$1 billion in the Canadian airlines' equity, but about \$1.4 billion of it has eroded because of capital losses. Through the sale of assets, however, Air Canada has recently managed to improve its cash reserves, giving it the advantage in a deal with PWA. Company officials say that by autumn, those reserves will rise to about \$1 billion.

The 11th-hour decision by PWA's board of directors to support the terms of a \$208-million equity infusion from American Airlines left the company unable to continue operating with nowhere else to turn. According to provincial government sources, Alberta Premier Donald Getty refused to sanction loans to PWA, whose predecessor company, Pacific Western Ltd., the province owned from 1974 to 1983, because of recent public criticism of his government's controversial involvement in other Alberta acquisitions, including Norskink Communications Inc. Getty has declined to comment on both the talks between PWA and Air Canada and the loan guarantees that PWA requested. The company also failed to obtain assistance from Ottawa despite the fact that Finance Minister Donald Marshall, a native of Alberta, was reportedly expected to protect PWA at the cabinet level and provide plans to keep the "traveller," said PWA spokesman.

Ties: Whatever Marshall's personal allegiances to PWA may be, they are balanced by both political and personal ties to Air Canada. Marshall was a personal friend of Air Canada chairman Taylor. Both Region, the two men share strong religious convictions and Marshall was highly supportive when Taylor was named as a 1994 entrepreneur of the year. The connection also related to Air Canada's Ottawa-based pilot, Hugh Rossell, who plays tennis with the finance minister.

But Marshall's statement last week that "the only other option is a merger" between the two airlines was a hard-won admission. When he held the federal transportation portfolio from 1984 to 1986, the minister vigorously pressed for the deregulation of the transportation sector, a key part of the government's economic policy. Since it was official in 1984, the Tory government of Prime Minister Brian Mulroney has also deregulated the financial services, telecommunications and the energy industry. Said Donald Brown, executive director of the Alberta provincial transportation authority in Calgary: "We have gone full circle and now Air Canada has a stranglehold on Canada again." He added, "PWA tried to back that. Albertans are upset about this tragedy—all Canadians should be upset."

Despite the regional and political overtones, there was little public debate over the urgency of the task at hand. In order to survive in the rapidly changing international arena, a Canadian airline has to be well-financed and strongly allied industry experts, including Sir Colin Marshall of British Airways PLC, forecast that by the end of the decade, only 22 of the current 150 international air carriers will still be in business. Instead, there will be an intense war of global alliances between mega-carriers in an increasingly deregulated international environment.

In the past two years, that trend has accelerated as airlines have lost huge amounts of money and banded together to survive. In 1991, the airline industry worldwide posted record losses of \$5.3 billion. "It's not just two Canadian companies concluding each other," said The Orem, chairman of the transportation division at the University of British Columbia's faculty of commerce. "All the U.S. carriers are losing money. Even American Airlines, the best-managed airline in the world, is losing."

The scramble to find strategic foreign partners has intensified further in recent weeks. Air Canada announced a year ago that it intended to join forces with Delta Inc. of Arlington, Va. But on July 21, it was pre-empted

	Air Canada	Canadian Airlines (PWA CORP.)
ASSETS	\$4.9 billion	\$2.8 billion
REVENUES	3.8 billion	2.9 billion
1991 LOSSES	22.5 million	152 million
LONG TERM DEBT	2.3 billion	1.9 billion
EMPLOYEES	18,000	15,000
FLEET SIZE (AIRPLANE)	132	86
FOREIGN DESTINATIONS	Europe and United States and the Caribbean	The Far East, Europe and South America

when British Airways announced an \$870-million deal with TWA that gives the London-based carrier direct access to the U.S. domestic market. Although industry analysts say that TWA is unlikely to still be interested in a deal, Air Canada spokesman Denis Courville said that his company is "reexamining its options and studying the implications of the new situation." Air Canada also has until Aug. 3 to consider the books of bankrupt Continental Airlines Inc. of Dallas and make a bid for the fifth-largest airline in the United States.

Offers: Even if the proposed merger between PWA and Air Canada is approved, few analysts expect that the resulting company will be "created by partnership offers from major international carriers." Said Frederick Larkin, an economics professor at York University in Toronto: "No Canadian airline will ever be a serious, equal partner in an international deal. Most of its routes are of no value to a foreign company at all." Indeed, he blames much of the Canadian industry's lack of appeal on Ottawa's decision to split international routes between the two airlines, weakening both at a critical time on the global stage.

In addition to contending with a staggering deficit, the airline also faces a hostile environment, with its internal subsidies. According to calculations by investment analyst Frederick Larkin of Baring's Mueberg Inc. in Toronto, up to 10,000 employees would have to be laid off and about \$500 million sold in a distressed market. And consumer professor Ott said that "it will require three to five years to streamline operations and improve efficiency." But Ott is convinced that the combined operating costs could be cut by 15 per cent without radically reducing air service. Cur-



Air Canada flight attendants predictions of work reductions and higher fares

rently, both of Canada's major airlines have cost bases that are as much as 30 to 35 per cent higher than those of their U.S. counterparts.

Because of concerns about the effect an airline monopoly will have on the Canadian market, several industry analysts have vociferous preference for PWA and Air Canada to make separate deals with U.S. carriers instead of with each other. Their reasoning, however, that only a Canadian airline would be willing to pay a premium in a deal for PWA assets. "PWA has the option of liquidating or giving in to the demands of American Airlines," said Ott.

"But Air Canada will value its assets higher than a foreign company and that gives PWA more bargaining power than it would otherwise have." For the past four years, Air Canada has been vocal about its desire to join PWA's lucrative Asian routes.

Government sources in Ottawa indicate that rather than slowing or even derailing the process, a pending merger could hasten the negotiation of a so-called open skies agreement between Canada and the United States. Such a North American competition in air travel, and one transport official who spoke in confidence of sensitivity. He said key way to dilute the influence of a domestic monopoly. The fifth round of those negotiations takes place on Aug. 30. Depending on the progress in merger talks by then, that meeting could be an opportunity to establish a time frame for a new treaty, setting a deadline for the merged company to work towards. Said the official: "We can't throw them into open street right away, but rather should be served that they have sold a certain date to get their act together."

Items: The direct aspect of a merger on Canadian consumers is in some ways less clear than the deal's ultimate conclusion. But analysts say that if it proceeds, domestic fares will rise, seat sales will be reduced and service to small and remote communities will decrease when companies merge. Internationally, there is already a good deal of foreign competition exerting pressure on Canadian carriers. Said Kevin Dwyer, research director for the Consumers' Association of Canada: "The protection for Canadian consumers is very limited beyond the government's action. It's their role, their responsibility to ensure that the outcome is fair." Indeed, the second deal PWA made after the sale to Air Canada was to Transport Canada in Ottawa. And included in the July 27 announcement about the two airlines' reorganization was a statement that Ottawa was "closely monitoring" the situation.

JULIE CAZZINI

An agreement between the two airlines will have to run a regulatory gauntlet that could take until 1993 to finish. Both the National Transportation Agency and the Bureau of Competition Policy will simultaneously review it, and the National Transportation Agency is expected to issue public hearings because of national and regional sensitivities. To create an environment that encourages the emergence of new independent carriers, a merged national airline may be asked to divest itself of certain assets, including regional feeder airlines and some international routes. Existing independent airlines, including Nations of Montreal and Canada 3800 of Toronto, could also gain greater access to foreign investment, which might strengthen their presence in the market. Currently, non-Canadians are allowed to own a maximum stake of only 25 per cent in a domestic airline.

Gap: For his part, TWA's Loefer says that he is skeptical that new competition will be fostered under a monopoly, even if federal measures encourage it. "You're never going to see that here," he said. "Here, the big players are going up and knock out the little one. That's what happened to Winkler and that's what's happening now to PWA." He added that there would be minimal interest in financing a rival airline in a market as small as Canada's.

But there have been cases where modified monopolies have served consumers well. After the Conservative government of Prime Minister Margaret Thatcher privatized British Airways in 1986, it bought out its major domestic rival, British Canadian Airways Ltd. But the government forced the combined airline to make concessions to competitors. British Airways had to give up international routes and arrival and departure time slots at London's airports, therefore, to domestic and international competitors.

UP AND DOWN A ROUGH ROAD

Grise-Romer, executive vice-president of Winnipeg-based Romer Express Enterprises Ltd., says that his trucking company is effecting half a million dollars in assets as on Jan. 1, 1986, because of a federal government decision. It was then that Ottawa's Freedom To Move policy came into effect, which, in the spirit of deregulation, permits anyone who can prove that he or she can drive a truck to get into the business. Before then, Romer, like all Canadian truckers, had to acquire a permit to operate in a designated geographic area or transportation corridor. And the only way to get those permits was to apply at transport board hearings, which could take more than a year, or buy another trucking company with desirable routes. Said Romer: "We invested millions in obtaining our operating authority, which became virtually worthless with a stroke of the government's pen."

Still, Romer Express, a privately held company that Canada's older brother, Doo-06, founded in 1952, has survived both deregulation, which slowed the number of trucks to now, and the recession, which sent the demand for their services down. Other truckers were less fortunate. According to the National Transportation Agency's annual review, there were 763 trucking bankruptcies in 1991, nearly double the number in 1988. While most were small operators, some of the largest routes in the business have ceased operating as a result of mergers, consolidations and closures followed deregulation.

Robert Industries Ltd., for instance, a diversified Winnipeg-based holding company, got out of trucking operations for sale in May, 1991. A year later, Cadotte Transportation Group Inc. of St. Laurent, Que., finally bought Federal's eastern Canadian and U.S. operations for an undisclosed amount. No buyer has emerged for the remainder of Federal's trucking subsidiaries, but many in the Canadian trucking industry, deregulation has been the road to ruin.

BARBARA WICKENS

NEW PRESSURES ON PROFITS

Like hundreds of other small Alberta natural-gas producers, Robert Larkin, chairman of the Conservative government's deregulation of the natural-gas industry in 1985. During the early 1980s, the chairman of Calgary-based Gas Resources Ltd. and his company had worked as they mined gas prices that steadily on the open market, while PWA's price was down steadily from a high of \$2.70 (U.S.) per thousand cubic feet in 1986 to a 25-year low of less than \$1.20 by September, 1991. Declared Larkin: "Deregulation really hurt us in the first few years."

But in the last few months, a tremendous upsurge in oil prices, along with what 40-year-old Larkin calls a "significant rebound" in prices of Canadian natural gas in the United States, have pumped up

profits into the midrange. Since January, prices have climbed to \$1.90 per thousand cubic feet. And Larkin confidently predicts that Gas Resources will earn record profits this year.

Despite the producers' renewed optimism about the North American marketplace following deregulation, the market still poses risks for them. Over the past year, several American utility companies, including California's huge Pacific Gas & Electric Co., have tried to open and renegotiate multi-year contracts to buy gas that were signed when prices were higher. They claim that those contracts violate the spirit of deregulation. In Canada, there is still an enormous surplus of gas that the producers extracted and sold when prices were low in an attempt to maintain their revenues. And ultimately, it is prices, not the producers' philosophical commitment to the free market, that will determine their views on regulatory policy.

Truckers on the move deregulation was a key part of the government's policy



PHOTO BY JEFFREY M. HARRIS FOR ENR

the market" and establish the trust to proceed.

As well, both management and employees of PWA have been open about their reluctance to join forces with Air Canada. Said Christopher Anderson, airline general chairman of District 721 of the International Association of Machinists and Aerospace Workers, which represents about 7,000 Canadian Airlines employees: "Management always made it clear that a deal with Air Canada was the worst-case scenario for them as well as for us."

Jobs: Indeed, as the dust begins, several obvious areas of potential conflict loomed. One is the location of the new company's corporate headquarters and the jobs attached to it. According to the incorporation charters of both airlines, PWA's and Air Canada's headquarters must be in Montreal and Calgary and Montreal, respectively. The federal air routes, especially the new TWA Terminal 3 at Lester Pearson International Airport in Toronto, will also be of special interest. Another obstacle could be the disposition of partial interests in several regional airlines. The collapse of PWA's share price following reports of the possible merger could also complicate the valuation of the company, especially if a share exchange or a new share issue becomes involved. By the end of last week, PWA's share price had fallen 48 per cent over the week to close at \$2.62.

Clearly, as Air Canada and PWA management try to negotiate a merger, there will be crowd of politicians, consumers and rivals looking over their shoulders. And for both Ryan and Taylor, there may be many more difficult telephone calls to make.

DEBORAH MCINTYRE

PLAYING BY THE NEW RULES

DEREGULATION HAS CREATED TURMOIL

Vicor Popalizio calls himself a "baby of deregulation." He is also one of its casualties. In September, 1984, he took advantage of airline industry reforms that the federal government had passed earlier that year and launched a new carrier, City Express. With just one turbo-propelled 90-seat plane, the fledgling airline offered one-way economy flights between Toronto's small island airport and Ottawa for \$60. Popalizio's new added service to Montreal and Newark, N.J. But in the fall of 1996, Air Canada, a subsidiary of Air Canada, began competing head-to-head with City Express from the island airport. It flooded Popalizio's routes and drove him out of business in February, 1996. Now, Air Ontario charges \$106 for a one-way ticket to Ottawa. Last year, after beleaguered Canadian Airlines International Ltd. announced that it plans to hold merger talks with Air Canada, Popalizio said: "It is ironic. Canadian Airlines got the superior play from Air Canada just like we did."

To many economists and regulatory lawyers, the experience of both City Express and Canadian Airlines illustrates the potential benefits and dangers of deregulation. When Prime Minister Brian Mulroney took office in September, 1984, he said that he was determined to replace regulation by bureaucrats with the discipline of competitive markets. His government moved ahead with airline reforms initiated by the Liberals and developed a plan to deregulate the entire transportation sector. The Tories also began deregulating off and on gas, financial services and other industries. Initially, at least, those reforms increased competitive pressures on companies to cut prices and costs. They also provided consumers with more choice and opened doors for upstarts like Popalizio. But at the same time, the reforms have given some dominant firms in Air Canada

more freedom to put pressure on their smaller rivals. And the result in the airline industry is that there are now fewer competitors, not more.

Mulroney and his ministers had plenty of precedents demonstrating both the rewards and the risks of deregulation before they implemented their reforms. Presidents Jimmy Carter and Ronald Reagan had provided them with a road map. Carter deregulated airlines in 1978, allowing them almost total freedom to set their domestic routes and fares. Reagan accelerated the program when he assumed office in 1981. In 1982, he deregulated the savings and loan industry, predicting that it would make the institutions "a stronger, more effective force." And in 1984, the giant American Telephone & Telegraph Co. agreed to relinquish its monopoly on long-distance telephone service to settle an antitrust suit.

In all of those sectors, the reforms sparked a competitive fire for all that yielded substantial benefits for consumers. U.S. airlines shared

flares, introduced frequent-flyer programs and expanded their route networks. As well, the newcomers in People Express and America West Airlines made huge inroads against established carriers. In total, the Washington-based Deregulation, a private economic think-tank, estimates that U.S. passengers have saved an average of \$2 billion a year under deregulation. Meanwhile, in the savings-and-loan industry, the deregulation stimulated increased interest payments to depositors. In the long-distance telephone market, after ending the so-called "peaks and valleys" rates, rates are now almost half the level they were before deregulation.

Painful: But deregulation also forced painful restructuring in those industries. Since 1978, more than a dozen major U.S. airlines have merged or declared bankruptcy, including newcomers and such long-established names as TWA, World Airways and Eastern Airlines. As well, more than 50,000 U.S. airline employees have lost their jobs. Moreover, consumer advocates say that they now fear that the reduced number of surviving carriers will soon lead to increased fares. And in the savings-and-loan industry, more than 600 institutions have collapsed since deregulation in 1982, largely because they plunged into high-risk real estate investments and junk bond deals in an attempt to improve their earnings. Congress estimates that bailing out the industry will likely cost taxpayers more than \$600 billion during the next three decades, the largest financial collapse in history.

Despite that dislocation, many experts argue that U.S. deregulation has been a success. Alfred Kahn, an economist who supervised the deregulation of airlines as chairman of the Civil Aeronautics Board under Carter, and that although there are now fewer carriers, "there is no question that there are more airlines competing route-by-route than there were before." He added that if Washington is worried about a handful of domestic "monopolies" dominating the industry, it should deregulate it even further and eliminate restrictions preventing foreign-owned airlines from flying on American domestic routes at times beyond or merging with U.S. airlines.

Outside the airline industry, Kahn claims that deregulation would have been more successful if it had been even more extensive. He added: "In the case of the savings and loans, we retained government deposit insurance, which is, effect, said to them, 'You cannot fail.'"

In Canada, deregulation has also caused



Natural gas extraction plant in Cochrane, Alta.; Muskanowski (below left) benefits and disposes

domestic restructuring. After Ottawa and the provinces decided the way for banks to enter the stock brokerage business in 1987, four of Canada's five largest banks, the Bank of Montreal, the Bank of Nova Scotia, the Royal Bank of Canada and the Canadian Imperial Bank of Commerce, bought investment dealerships. The Toronto-Dominion Bank, as now, set up its own brokerage house. Now, the five bank-owned firms dominate the brokerage business.

In the airline industry, the National Transportation Act, the harbinger of then-transport minister Donald Manionowski, came into effect on Jan. 1, 1985. It removed the last remaining restrictions on domestic routes and fares. As in the United States, that sparked a competitive free-for-all. But Air Canada and Canadian Airlines soon bought up Canada's 11 regional airlines. And in January 1990, Canadian Airlines took over third-ranked Westair. Now, Air Canada appears poised to regain a domestic airline monopoly, and industry analysts predict its proposed merger with Canadian Airlines will result in higher fares and the loss of 10,000 jobs.

Mistake: Critics say that the fact that deregulation in those two sectors resulted in fewer competitors demonstrates that it has failed. Andrew Rayner, a regulatory lawyer with the Toronto-based law firm Miller Thomson, says that Ottawa made a mistake by deregulating airlines' fares and routes but not eliminating other restrictions that protected Air Canada from competition. Among them laws preventing foreign airlines from flying between Cana-

dian cities and the 25-per-cent limit on foreign ownership of a Canadian carrier. Rayner says that the ownership limit prevented Canadian Airlines and other carriers from tapping U.S. investors for capital. Said Rayner: "What is important is the most efficient way of transporting people around, not whose name is superimposed on the back of the plane."

Barriers: As for financial deregulation, Rayner argues that it is "artificial" for Ottawa to have allowed banks to enter the brokerage business but still maintain barriers preventing banks and insurance companies from competing head-to-head. Declared Rayner: "This isn't deregulation. It's partial deregulation of some barriers." But other experts argue that partial deregulation has given Canadian consumers most of the benefits of increased competition, low prices and greater choice, even though it has not increased the number of competitors in the brokerage industry. Steven Kroszner, a financial services analyst with the Toronto-based brokerage firm Matheson Wilks & Co., says that the bank-owned investment dealers compete just as aggressively with one another as they did before. He added that if Ottawa breaks down the barriers between banks and insurance companies, "it is entirely possible there will be more competition with fewer players."

Indeed, in the airline industry, Air Canada and Canadian Airlines have continued to wage law even that guaranteed huge losses for both airlines even after their other competitors disappeared. According to Ottawa's National

Transportation, say, after two-and-a-half years, in 25 Canadian domestic routes are at about the same level as they were in 1988. Supporters of deregulation also say that it has made the airlines more efficient by forcing them to cut costs, trim routes and slash schedules. But critics, such as George Lemmer, dean of the faculty of management at the University of Lethbridge in Alberta: "When bureaucrats were selling fares and schedules, we had planes running back and forth that were two-thirds or three-quarters empty." Moreover, even if Air Canada gains a domestic monopoly, Lemmer contends that Ottawa should be wary of re-regulating its fares and routes. He says that upstarts would still be free to jump into the market at any time if Air Canada raised its fares too high. Air Canada says that flying on U.S. airlines between cities near the Canadian border is also as cheap as 90 per cent of cost of Canadian.

In contrast to the airline and the brokerage businesses, Ottawa's deregulation of the natural-gas industry in 1985 actually created a three-market with hundreds of healthy competitors—small and large. But even before deregulation, the industry, with over 750 producers, resembled the free-market economy's ideal of competition much more closely than financial services or airlines. While companies like Shell Canada Ltd. and Dome Petroleum Co. were large, they were not as dominant in their industry as Air Canada or the Big Five banks. And although gas producers suffered from dislocation after the government lifted price and export controls, that turmoil was not the result of unbridled competition. The crisis was a five-year decline in international prices that began in 1986, but largely from a global production glut. It was not a result of overproduction and falling prices. But this year, they have all benefited from a rise in gas prices. Says James Gray, president of Calgary-based gas producer Canadian Hunter Exploration Ltd.: "In our industry, deregulation had the desired effect."

Certainly, the star of deregulation for the policymakers who spearheaded it in Canada and the United States was to put all companies in an industry at the mercy of the market, regardless of their size. But large firms in some of those industries clearly had different goals. And in Victor Popalizio and other upstarts, the industry giant's goals have often prevailed.

JOHN DAILY

DIFFERENT STROKES

**VICTORY IS A CURE-ALL FOR
COUNTLESS ILLS, DROWNING
OUT THE DOUBTING IN A
BURST OF CHEERS AND TEARS**



Canada laid the world in the Olympic sport of hand-sawing. "Did we win today?" they ask and shake their heads knowingly at the answer—nope, no medals. The predictable colic appears in newspapers: the country's athletes are too satisfied with modest goals, too easily to accept defeat. Canadian officials die their own red-mustard: do they find too many athletes who have no realistic shot at the podium, at the expense of those who do? Or not on it goes. And then something happens. It is called winning, and it is a cure-all for countless ills: dawning out the doubting and the whining in a burst of cheers and tears.

Last week, Canadians did a lot of winning—in the pool, on the polo field, on the cycling track, on the new sailing road. But the most notable of medals lay north of Barcelona in the smoggy town of Bielsko, on a placid lake thick with mist in the morning and surrounded by wooded hills and fields swash in pinkish waterfalls. In a single stunning weekend, Canadian rowers stroked to four golds and a bronze, turning the country's five-week medal count to 19—exactly the team's total for the entire Seoul Games four years ago. And among those medalists was Silken Laumann, making an odds-defying, doctor-shocking recovery from a brutal leg injury and winning not only a bronze but a place in the hearts of Canadians—why else would president upset 300 million to watch her swim on TV? "Thanking back to her accident. She's amazing, even Laumann had to admit. "It seems pretty amazing," says 580.

While Laumann was Canada's comeback kid, Mark Tewksbury was its golden boy. The 20-year-old Calagran, whose bare-chested ad for blue jeans is plastered on his stage across the country, grabbed a gold in the 100-m backstroke, shouldered a bronze in the 4 x 100-m medley relay (page 60). But before Tewksbury's heroics, a far less heralded athlete, 20-year-old Nicolas Gill of Montreal, was Canada's first medal—a bronze in polo—in the Games' fifth day. "Still as hot as I was when I was 16," the startled middleweight said, "and now there are 20 reporters in front of me."

Footed Gill, who started polo when he was 6, took a year off from studying science at Montreal's Atlantic College to prepare for the Games. He cradles his medal to two weeks of intensive training at a polo club in Katsunaka, Japan, last May. "In Canada, there are not many people at our school," he said. "I had to go to Japan to get a medal." While he plans to return to college in the fall, he said, he also has his sights set on the Atlanta Games in 1996—and another chance for Olympic gold. Meanwhile, he was so happy with his Barcelona bronze that he carried it around in his jeans pocket for the rest of the week.

Cyclist Curt Hennig also enjoyed a bronze. The 27-year-old from Thunder Bay, Ont., a former medalist in the one-kilometer time trial at the Soviet-backed 1984 Olympics in Los Angeles, pedaled in the cycling, nerve-rattling individ-



ual sprint. "I'm sure in a week I'll be very excited with this medal," he said afterwards. "But right now, I'm just a little disappointed. I definitely thought I could get a gold." His parents, his girlfriend and his girlfriend's parents cheered him on in Barcelona. And back home in Thunder Bay, his 86-year-old grandmother, Elsie Hennig, watched the race on TV and gushed. "I'm so proud of you. I was so into those playoffs, my body went limp."

She recalled that, as a child, Curt played with miniature cars and was fascinated by the turning wheels. He took up competitive cycling at 16—to get in shape for hockey. Now, he says, he is considering turning pro: there is a cycling event in Japan—a tour of heavy bastions—in



Hennig (far left) Gilly, Laumann: Canada's athletes did a lot of winning last week—as the cycling track, on the polo field, on the new sailing road, in the pool and above all, in the rowing lake

which foreigners are allowed to compete for six weeks each year. "The guys are earning upwards of \$100,000 in the six-week period," said Hennig.

Gold medal Laumann is unlikely to earn much money as a row-winner, but he did strike Olympic silver. The 20-year-old engineer from Rimouski, Que., competing in his third Olympics, maneuvered his way through Barcelona's stony streets to become the first Canadian to win a row-walking medal in 80 years. "It's great for Canada and for Quebec, too," Laumann said after parading around the Barcelona stadium, waving a Canadian flag. While he looked ahead to the 50-km race on Aug. 7, his excited wife, Marie Bonenfant, was answering a constantly ringing phone in Rimouski. The couple has a two-year-old daughter, Anne-Marie, and Bonenfant, 27, was expecting their second child later this month. The timing, she said, was so accurate. "I had measured," she explained, "and we wanted another baby before Anne-Marie got too much older. So we discussed whether to not wait after the Games or whether to

THE DOPING ISSUE LINGERS IN THE OLYMPIC SYSTEM LIKE A DRUG

have one now, and we decided to go ahead. Galkovsk called me last night and said, 'I hope if I do well that you won't go ahead and have the baby without me.' But I told him that if it happened, it would be a good sign for the baby."

Her signs seemed to hang over some athletes. Canadian hockey player, a gold medal-winning defenseman in first class, squandered his second race on a technicality—he sailed without a life jacket in his boat—then also started in his next race. "They say something like this gives you a stronger character," said the 36-year-old native of Brackville, Ont. "I'm still waiting for that to happen." A German driver, three-time European champion Alois Klotz, was leading his competition when he suddenly slipped as he was leaving the apron-board—most odd a technicality-crunching belly flop that took his medal chances.

Moons: Other competitors performed almost flawlessly. Krasovsk figure skater, a 13-year-old Bulgarian, back-scooter known as Moon, grabbed up three gold medals. Russian skater, a young 18-year-old skater for the United Team, equalled that achievement. The former Soviet Dima, in fact, was the week's big medal winner, followed by the United States, then Germany and China. And the German two-time Olympic gold medalist was uncharacteristically the U.S. basketball player—not all of the athletes flattered. "They're almost bigger than the Olympic Games," said one spectator. American physical-education teacher Edward Goheen.

"It's unfortunate." So certain was the British Times that the only question was a national one: would the two players ever contract to Nike wear a Reebok warm-up suit in the medals ceremony, as required in Reebok's contract with the U.S. Olympic Committee? Such a contract debate of the two players' Olympic trip.

Canadian sprinter Ben Johnson, returning to the Olympic track after the second scandal in Seoul four years ago, also performed under the media microscope—much to the disgust of 26-year-old teammate Remy St. Laurent. "I have the national record and I'm the fastest guy in the country, but all the attention goes to Johnson," St. Laurent complained. "That's not fair." It did not surprise St. Laurent's coach that, in the Canadian

team's gold medal, someone else's picture appears under his name. As it turned out, in the semifinals, the 30-year-old Johnson stumbled coming out of the blocks and did not make the final. St. Laurent did make it—and finished a close fourth in a race won by Britain's Linford Christie. "I'm pleased," said St. Laurent.

Meanwhile, the issue that Johnson has come to represent lingers in the Olympic system like a drug. Last week, three British competitors, weightlifters Andrew Seaton and Andrew Davies and sprinter Jason Linnington—known as Baby Doe for his resemblance to Johnson—were sent home for failing doping tests taken before they arrived in Spain. All three denied any wrongdoing. They were removed from the team—of several who were other competitors, most notably the strong and successful Chinese water skiers.

And IOC vice-president Richard Pound of Montreal questioned the validity of even the kind of random testing done in Canada—"I think a test is really, really random and really, really intense." Gave competitors more than 12 hours' notice of a urine sample, he added, and "they can pee clean." Pound advocates testing blood instead of urine. "I think the technology is finally catching up with this," he said. "Once we get to the point of doing blood tests as opposed to urinating in a bottle, we'll have more reliable tests."

Reps: For viewers in Canada, the latest test of which Canada's new American and which was Canadian by a the commentators' post-race reactions. True to their national stereotypes, NBC reporters rushed up to American silver medalists and said variations of, "You must be very disappointed with losing the race"—while CBC announcers often transported Canadian fans to the finish line. In fact, the Canadian public seemed to share that sense of low expectations, as a Gallup poll conducted before the Games, only 38 per cent of respondents said they thought Canada would beat its 10-medal total of Seoul. This week, however, the team should leave that number in the dust. The best hopes include Brian Probert in the 400m freestyle swimming and Brian Probert and Volody Vlasov in the 400m freestyle swim. Michael Smith in the 400m freestyle, Remy St. Laurent in the 400m freestyle, and a rising Olympic medalist, Canadiana may just decide to skip the fast-swimming event altogether.



Michael Jordan of the Dream Team: the issue was warm-up acts.

BEN LEXIN and CHRIS RIGBY in Barcelona and NARAYANAN in Toronto.



The biggest news in color copiers is also the smallest.

Introducing the Canon Cj10. The world's first Desktop Full Color Digital Copier.



The new Cj10 is yet another breakthrough in color copier technology. And not surprisingly, it's another Canon breakthrough.

Years of leading edge digital color copier experience have been combined with Canon's Gutsie Jet printing technology. The compact Cj10 is an innovative new full color digital copier designed for convenience and superb, detailed color output.

The Canon Cj10 is a full color digital copier for high quality, ink-splashed reproduction of all your originals. With the

optional Intelligent Preemerging Unit (IPU) and the Intelligent Error, the Cj10 is tailormade into a powerful visual processor.

When interfaced with your personal computer, and with the scanning capabilities of the Cj10, superior quality full color originals are created with the professional look of a graphic design house. And it does all this on a desktop.

See your Canon Color Copier Dealer for complete information, including some even bigger.

Small News. The price: Call 1-800-361-1241.

Canon
Cj10
COLOR KIDS IN COPY



McBean (left), Heblle 'bustle-bustle Toronto' and 'West Coast laid back'

BANYOLES BONANZA

CANADA SHINES ON THE ROWING LAKE

Miss McBean was talking about Sillars Lussanum. "She is one of the main components that makes our team so strong," said the Canadian rower. "She's been an inspiration and a motivator." But McBean and her partner, Kathleen Heblle, are a formidable force in their own right. And for all the superstar gold in Lussanum—the 1991 world singles champion making a dramatic recovery from a knee-crippling leg injury—it was Canada's other women rowers who led the remarkable medal haul at Lake Banyoles last weekend. Early Saturday, the women's four (now powered) took the 2,000-m course to grab the first gold, and Heblle and McBean followed with a decisive victory a half hour later. Then, as Sillars Lussanum completed her remarkable comeback with a stirring last-minute surge to best back

an American challenge and take the bronze. "I thought, I'm not coming in fourth," she said, later. By then, the Canadians had ripped five more medals: gold in the women's and men's eights. "It was nice," said Lussanum, "to see the Canadian flag being put up for the fourth time in the regatta."

Lightbulb. The triumphant weekend firmly entrenched Canada as a world power in rowing—a grueling sport that combines brute strength with physical and mental endurance. Actually, Canadians have excelled at the sport before: rowing produced the country's first world champions just days after Goodwill Games when four men from Saint John, N.B.—a lightweight leaper and three fishermen—struck it victory in foursome boats at the 1987 Para-Eurolympics. And Ned Hines, a fisheries scientist from Toronto, captured the world sailing

title on the Thames in England in 1986—just one day after more than 100 rowing victories. Other Canadians went on to win 19 Olympic medals, culminating at sea trips to the podium at the Eastern Bloc boycotted Los Angeles Games in 1984, where Lussanum and her sister, Danielle, grabbed bronze in the double scull event.

Four years later, the rowers faltered. At the Seoul Games, the Canadians were shut out of the medals—and only the men's eight made it to the finish. Lussanum, plagued by back pain and rowing with a new partner, finished seventh. Said Peter King, editor of the Ottawa-based *Rowing Canada* magazine: "It was our worst performance in half a century."

Lussanum, who began rowing on the Credit River in Mississauga, Ont., a decade ago, started to concentrate on the single scull and started training on Elk Lake near Victoria with Michael Spinkman, the British-born men's coach. She and the rest of the national team traveled in the world championships in Vienna last August, where they rowed off with four golds—in the women's single scull, pair, four and eight—and a silver in the men's eight. Heavily favored to win gold in Barcelona, Lussanum suffered a devastating injury in May when a German pair boat accidentally rammed her shell at a regatta in Germany—driving wood splinters into her back and knocking her shell aside. But she persevered and, one month and five operations later, rowed into her shell at Elk Lake to begin

the struggle back. It seemed amazing that she was racing at all, let alone finishing third at the Olympic final, won by Russian Ekaterina Lipina—and ending she had finished higher. "I prefer gold," Lussanum said, but added "I don't think you can ever predict what will be done, but I wouldn't want to take that away from the women."

Chaosville. It was after the success of Lussanum and her teammates at the 1984 Olympics that Toronto's Marie McBean was introduced to rowing. The nation of Coffee Crag canoeists have inspired the sport in a TV channel the next spring, just as McBean, then 17, was looking for something new to absorb her days competitive energies. "I had just through high school being really aggressive at every sport," she recalls, "but I was never talented at any of them. I would always end at basketball or get myself involved up to soccer." In frustration, she joined the Argonaut Rowing Club, whose Lake Ontario boat shed the other placed on her behalf, and signed up for a loan-to-row course. "I just loved it right from the beginning," she says.

Five months later, Kathleen Heblle, then 18, was crawling into the gymnasium at the University of British Columbia in Vancouver to register for her third-year studies in psychology when she felt a tap on her shoulder. It was the 1984 rowing coach according the sailing boats to try the sport. "Right away," she remembers, "I was good at it."

Normally, the two women compete as a "cooler pair"—their slender 38-lb plastic racing shells does not have a keelhouse in the riggers pushing their direction. Neither does the women's four. That gold medal-winning crew as composed of British Columbian Kirsten Berres, 24, Jessica Moore, 26, and Brenda Taylor, 26, as well as Kay Worthington, 33, who came aboard after fellow Ontario Jennifer

Doyle, 37, suffered muscle spasms.

For the victorious women's eight, Heblle and McBean played the coast of the women's four, as well as Megan Deckerly, 24, of Alberta, and Shannon Crawford, 28, and co-captain Lesley Thompson, 32, both of Ontario. The men's eight—which rowed out a Keesenaw boat by 14 one-hundredths of a second—came from as far west as Victoria and as far east as Cape Breton, N.S. Its members: Darren Barber, 23, Derek Porter, 24, Andy Crookley, 26, Mike Ferguson, 26, Robert Marbach, 28, Michael Reacher, 27, Bruce Robertson, 30, and John Sullivan, 26, and co-captain Terry Paul, 27. For spectators in the smaller shells, the transition to the larger eight-sized boat, which is nearly 60 feet long, can be daunting. Says Crawford: "There's a lot more sea and activity and the water goes by a lot faster."

In fact, the water was going by all the Canadian medallists with aggressive spirit on the weekend—a performance that women's team coach Al Morrow attributes to several factors. For one, the Canadian rowers concentrated on fewer events than at the Seoul Games, entering only eight out of 14 possible competitions, compared with 12 in 1988. For another, coaches have avoided the number of weekly training sessions to at least 17, from nine or 10, to improve the athletes' endurance. They have also boosted the practice regimen—in the case of the women to 200 km a week from between 160 and 220 km.

The Olympic success, the coaches say, also resulted from superior intensity and dedication. But, curiously, there have been no losses along the way. Until now, the media focus on Lussanum has overshadowed—and at times attributed—other rowers. And says McBean and Heblle acknowledge that their close teamwork occasionally produces friction between them. "Sometimes there's tension," Heblle says. "We are very different people."

In fact, the Mond Vancouver is a temperamental opponent of the dark-haired type made. While Heblle, according to coach Morrow, possesses deep reserves of personal strength behind a shy demeanor, McBean is equally sensitive and introverted. "Kathleen is Vancouver," says Morrow. "She's West Coast, just back and Marine is inside-Seattle Toronto. The beauty of it is that in a year, they offer each other those strengths." And in the two years that they have rowed together, they have plenty of good close bonds. "There's a lot of faith between the two of us," says McBean. "There needs to be. Rowing is a four-hour craft and a lot of time is spent in silence." "She sets the pace," says McBean. "She has to believe that I'm following her exactly." At the same time, she says, "I'd want the rate [of strokes] to go up, I can't just start going faster. Have to ask her, 'Let's take it up a bit.'"

It takes time to get a rhythm apart from each other, it will screw us up."

Demolishing. But all of the water, says McBean, "we give each other personal time to get away—especially when it's getting intense like this." Since rowing full-time training in 1988 after an autism break, neither rower has had much trouble. McBean has a speech speed of her limited sport time reading—American author John Irving is a favorite. Heblle, meanwhile, has found a boyfriend among the small circle of Canadian rowers. For the past several months she has been going out with Don Toller, a 21-year-old Canadian whose four-man crew was eliminated in the Olympic semifinals. A demanding schedule left all the rowers little time for sightseeing, despite having been in Europe since May for a series of pre-Olympic regattas. "I don't really feel like we're in Europe," says Heblle. "We might as well be in Vancouver."

Canada's rowers put other pursuits aside in most cases since 1990, to concentrate on the

Lussanum: singles wins and a devastating injury that have overshadowed teammates



CHERIS WOOD in England

MARKED FOR GLORY

TEWKSBURY TAKES GOLD AND BRONZE

The sea was setting out a heavy haze of smog and humidity that obscured the hills west of Barcelona as Canada's men's team relay team answered questions in the near-empty stands overlooking the open-air Olympic pool. In one grey plastic seat, a crumpled white Team Canada towel lay discarded beside two gleaming discs and a tangle of brightly colored ribbons. Olympic medals in gold and bronze. Back home in Calgary, 24-year-old Mark Tewksbury already had an Olympic silver, won in the medley relay at the Seoul Games. Last week, he completed the set by first winning the individual 100-m backstroke with an electrifying last-instant effort that carried him past U.S. world-record holder Jeff Rouse by a finger nail. After a sleepless night, Tewksbury returned to the Bernat Picornell pool with medley partners Jon Cleveland, Marcel Gery and Stephen Clark, leading the 4 x 100-m medley relay team to a third-place finish behind the United States and the United Team.

"I didn't sleep at all," a beaming Tewksbury acknowledged. "So the last time I didn't quite have the burst I had last night."

But Tewksbury's earlier performance had already netted a golden cap on a superstar career. In the 16 years since his parents, who operate a corner shop in southeast Calgary, introduced their eight-year-old son to swimming at the city's Acadia Swimming



Tewksbury: 'I thought, I can beat this guy today.'

pool, Tewksbury has been national backstroke champion an astonishing 13 times. In addition to Olympic silver in Seoul, three career moments, including his Calgary hometown debut at Commonwealth Games gold and silver from both the world and Pan-Pacific championships, "Before home here," Tewksbury told Markian's, "I always had a look at my career as a package, and I was really pleased with the package. And now, it's complete."

Dolphin: That career has not always moved as smoothly as Tewksbury's winning stroke at the Picornell pool. The swimmer—six feet, one inch and 176 lb.—credits his broken disappointment when, at the 1988 Olympics, the top swimmers in the backstroke event used a so-called dolphin kick to propel themselves underwater as fast as 45 metres. He had not

mastered the new, faster technique (which was later banned). "I watched my world record go from second to seventh only and a world medal was disappear," he said. "I felt like a real failure." For four months after the Seoul Games, he stopped training and seriously contemplated giving up the sport. Through the same period, however, he was speaking in public about the value of what he calls the "Olympic message": "a wake of the few Japanese steroid scandal. "People really needed to hear that the Olympics were great," he says now. "So I told them. And the more I talked to them, the more I realized it was just I convinced myself."

Tewksbury still speaks in public, although his prices are likely to rise with his new Olympic laurels. "There are so many parallels between business, or being your best in per-

sonal life, and trying to get to the top of sport," said Tewksbury. "That's what I try to share." Still, he acknowledges lapses in his usual doctrine of managing his performance by his own standards of excellence, rather than by reference to someone else. Of his gold-medal-winning duel with Rouse, he said, "I tried to do my best in the morning [local], and race my best at night—which is a little bit different. It's going to be the occasion." Remembering the surge of confidence that carried him to the finish line headbashing, he was reminded of a second ahead of his American rival, he added. "As my best, I thought I can beat this guy today."

Family: But the handsome and telegraphic swimmer—who has contracts with Bugle Bay jeans, the Investors Group and the Best Information Centre—hardly gives the impression of being a traditional competitor. In the wake of his Olympic victory, he says that he is looking forward to paying more attention to family and friends to whom he sometimes gave short emotional shrift in the intense months of training before the Barcelona Games.

"It really is a difficult process getting to the top at the Olympics," said Tewksbury. "You're always worried about how much sleep you're getting, what you're eating and what's all, like, me, me. I want for a long time to go, 'Yes, you, you, to all the people who helped me get there.'"

There are other plans—though none at this pressing. Tewksbury says that he hopes to complete his unfinished University of Calgary degree in political science. And he expresses an interest in eventually pursuing either journalism or the foreign service. But he adds: "I'm so much into doing it. It took a long time to get here. I'm just going to sit back and enjoy it for a while." And surely no one will begrudge him that.

CHUCK WOOD in Barcelona

One Wrong Move, And It's Game Over.



Welcome to the rat race.

If this headline sounds a touch foreboding, it is meant to be. Because sometimes caring advice can be a cruel reality.

You see, life is hard enough as it is. And taking the wrong job or choosing the wrong career can be devastating.

That's why we thought it would be helpful for you to stop and think.

For the next little while, take an interest in the people around you. Pay attention to your friends and relatives. You may be surprised to discover that many people actually dislike their jobs, even dreading to get up each morning.

Can you imagine a life like that? So think it through. Check out industries that interest you. Then talk and listen to people in these fields to get a better idea of your own goal.

Who knows, it may even point you in our direction - advertising.

Ours is a business that combines art and science, to inform and broaden the awareness of products, services and even social issues. It's an industry full of talented and interesting people.

But it is not always easy. It can be tough and challenging. And the truth is, it can be as rat racey as any other profession.

Even for an entry level job, you are competing with as many as five hundred other applicants. But don't be discouraged, because you just might have the right talent.

And it could lead you to one of a wide spectrum of jobs. From copywriting, graphic design, and art direction to research, media, account management to TV, radio or print production.

If you like, take the next step. Call, write or fax us for a free copy of "So You Want to Be in an Advertising Agency", an informative booklet produced by the Institute of Canadian Advertising.

It's a start. And if this ad should get you to at least think about your future direction, it certainly will have served its purpose.

We at Campbell & Michener Ltd. wish all of you a bright and rewarding career future!

Campbell & Michener Advertising Ltd.

1129 Leslie Street, Don Mills, Ontario, M3C 2K5 Phone: (416) 445-6625 Fax: (416) 445-9313



Striking Ontario steelworkers in July, 1990; *Moultreuil* (below): new powers

LABOR

Tighter picket lines

Ontario debates proposed labor law changes

After an attempting campaign that lasted several weeks, the 170,000-member Canadian Auto Workers union applied to the Ontario Labor Relations Board in May, 1991, for the right to represent 70 workers of a wheel plant in Newark, Ont., owned by Hyundai Auto Canada Inc. At the same time, 33 workers at the plant, 35 km north of Toronto, submitted a petition opposing the union. Under provincial labor law, the petition automatically triggered an Ontario Labor Relations Board (OLRB) hearing. Last week, lawyers representing the union, the company and dissenting employees made their 12th appearance before the board to argue the case.

But under amendments to the Ontario Labor Relations Act introduced in June by Ontario's New Democratic Party government, the right of employees to submit petitions would be sharply curtailed and union certification would probably become much easier. Said Michael

Mine, assistant to the president of the auto union: "With this new law, we would have been certified a year ago at Hyundai and had a collective agreement." The proposals have triggered fierce controversy. While labor groups have welcomed the amendments, many business leaders say that they favor unions and could damage Ontario's economy by driving away new investment.

Reflecting the intensity of the debate, about 300 companies, organizations and individuals were expected to testify on the proposed new law after the Aug. 4 opening in Toronto of province-wide hearings conducted by a legislative committee. The reforms would, among other things, ban the use of replacement, or "scab," workers during strikes and give the local board new powers to resolve labor disputes.

Business leaders contend that the amendments would give unions too much power. Said Bruce Sorenson, a Toronto lawyer who helped to write an analysis of the proposals for the Human Resources Professionals Association of Ontario: "These amendments gave Ontario the most left-wing, pro-union, anti-business labor legislation in North America."

The last part, Ontario Labor Minister Robert Mulcaire said that the amendments are necessary because the composition of the province's workforce has changed dramatically since the act was last overhauled 17 years ago. The number of young workers and immigrant employees in the province has increased sharp-

ly. At the same time, Ontario is rapidly acquiring a services-and-information-based economy as the old industrial and manufacturing economy declines. According to labor department figures, only 33 per cent of service sector workers belong to unions, compared with 62 per cent of manufacturing employees. One of the proposed amendments is intended to help across industry workers when a nonunionized company successfully bids against a unionized competitor for a contract to carry out such functions as cleaning or cafeteria services in an office tower or hospital. In such cases, the winning contractor would have to hire his competitor's employees and pay them union wages and benefits.

Labor leaders said that they would fight any attempt by the business community to weaken the reforms. The auto union's Mine said that proposed restrictions on petitions against certification would make it easier for employers to organize union locals. He said that the labor relations board currently rejects almost 90 per cent of the anti-union petitions, usually because there is evidence to show that company owners or managers have encouraged employees to submit them.

Labor leaders also said that they will work to eliminate loopholes in provisions designed to restrict the use of replacement workers during a strike. Christopher Schenk, research director for the Ontario Federation of Labor, said that under the proposed amendments, a strikeboard company could have an outside contractor to do the work actually done by strikers, although the work would have to be done at another location. An employer could also ask supervisors or nonunionized staff to perform jobs normally done by striking employees.

Business leaders said that they are equally determined to win major modifications. Paul Nykanen, vice-president of the Toronto-based Canadian Manufacturers' Association, said that the amendments would give the labor relations board a mandate to serve the interests of workers, rather than acting as a neutral arbiter of disputes. Indeed, a section of the proposed amendments states that they are designed to give employers more power during contract negotiations "for the purpose of improving their terms and conditions of employment."

Opponents of the legislation say that there are signs that the proposals may already be discouraging new investment. Officials at Hyper-Data Inc., a major electronic goods manufacturer in St. Catharines, Ont., said in June that the firm had planned to open a new plant in the area with one of its 17 Ontario plants, largely because of the plans to raised labor laws. But as far, the government has shown up on backing away from its hardening and controversial proposals.

By the time Ontario's new law is passed, the government has shown up on backing away from its hardening and controversial proposals.

D'ARCY JENNIS and FREDERICA CRISPOLM

FILMS

Death springs eternal

Two new films find laughs in the afterlife

The dead are being reborn in Hollywood. *For Somebody* is a movie inspired by Stephen King's tale of an Indian boy all ground where corpses come to life, opens later this summer. And in the fall, vampires will stalk the screen in two movies, including Francis Coppola's *Dracula*. The *Dead Story* and John Landau's *Awakened* alone. Meanwhile, two local comedies are taking a more lighthearted look at life before the grave, each supporting an impressive cast of comically ghastly talent. In *Buffy the Vampire Slayer*, Kacey Sweeney, Donald Sutherland, Lyle Perry and Paul Reubens star in the story of a reluctant young woman who finds herself battling larger intruders at her California high school. And in a send-up at society's obsession with eternal youth and beauty, Meryl Streep, Goldie Hawn and Diane Wiest gleefully enact their way through *Death Becomes Her*, a heavy-handed take about the high cost of looking good.

Of the two movies, *Buffy the Vampire Slayer* is the more charming—less self-conscious about its offhensiveness and playing up, rather than shunning over, its offbeat subject. Much of the movie's appeal stems from Sweeney's dead-on performance as the pretty, popular and greatly adored Buffy. The land of the cheerleading queen at Sunny High, she is a select member of a clique of sophisticated young women who make it their business to be so the boys will notice. Buffy's details and fashion. (One of Buffy's friends describes a patch in a store window as "the manliest guy.")

Buffy spends her days tramping through miles, decorating the gymnasium for school dances and complaining about the minutiae of her low grade on a history essay. "Buffy's been knowing about St. Salvador," she sighs to her friends as they ride up an escalator. "Lame. I've ever going to Spain anyway." Then, a man-faced demon pays her a visit. Played with unrelenting compassion by Richard Kind, he tells Buffy that she "sees the darkness, the mark of the curse," and that it is her destiny to work with him to rid Hollywood High of a wilderness, and deadly, menagerie of vampires.

No sooner does she put her pangs into



Raven (left), Streep obsessed with youth and beauty

strengthen that Buffy finds herself, as she describes it, "in a graveyard with a strange nose breathing for vampires on a school night." There, she dives stakes through the hearts of several recently deceased schoolmates who had died with signs of what a local reporter described as "a really gross laceration" on the neck. Before long, Buffy confronts the vampire-killer, a comatose-old demon named Letha (Christopher Hauer) and his cackling lackey, Anjelica (Bernadette). Ironically, it's the Fox-Warner.

For *Death Becomes Her* to deliver a sly message about beauty obsession and the fragility of sexual stereotypes. Meryl Streep plays a tip-top beauty on Fox TV's hit series *Beauty and the Beast* (1991) in next spring type as

Fido, a vulnerable young man who laments when confronted with violence. But in *Buffy* goes a fearless vampire-slaying heroine from her former empty-headed self, she inspires Fido to discover his own reserves of courage and end Potemkin and torment, *Buffy the Vampire Slayer* is comically fun.

Death Becomes Her on the other hand, takes a well-worn theme and works it almost to death. Here, the search for eternal life involves a narcissistic actress named Madeline Arlino (Streep) and her lifelong friend, a staid book editor named Helen Shary (Hawn). Arlino, obsessed with the fact that her good looks are declining, insists Shary's boyfriend, who is a top-notch plastic surgeon, save her from oblivion (Willie), and takes her to the shore.

That night, Shary enters a secret-way saloon during which she doubles her weight and loses her mind. As an enormously plump tramp, Hawn exercises her considerable comic talent without ever straining a hair on celluloid screen. A zombie-like Shary slips in front of her TV, enjoying Arlino's old movies and denouncing a cut of instant cake feeding with her fingers, that Shary eventually realizes that it is necessary either she loses, that is the best revenge. She slanders her extra weight, dyes her hair a vibrant red and writes a wildly successful book about the secrets of looking beautiful.

Shary's triumph drives the actress to distraction, and Arlino's distress gives Streep the chance to engage in some maturing instruction. And she portrays the character's monstrous self-absorption with gusto. After Arlino craves a potion that promises eternal youth, she goes oblivion before a mirror, seductively before a mirror as her wrinkles disappear, her buttocks grow firmer and her breasts lift and separate. But her new lease on life is short-lived. When she returns home that evening, she is drawn into a violent quarrel with her husband, who kills her by pouring her down the staircase. Although she is gently dead, she gently descends down her to a living death: she continues to walk and talk as her flesh begins to rot.

From there, an already generous and considered plot goes madly out of control. Despite an array of impressive special effects, including a particularly creative use of the famous blackboard scene from *The Graduate*, *Death Becomes Her* dies its own slow and painful death.

VICTOR DIVER

Plucking for glory

The Rankin Family fiddles with tradition

U ntil two months ago, music for Cape Breton's Rankin clan was strictly a family affair. The five-member group of brothers and sisters had released two recordings on its own label. The *Rankin Family* and *Row The Wind* Live collections of traditional and original Celtic music. And with the help of other Celtic musicians, they had recorded the recordings themselves and broken their own engagements. These efforts paid off when the group earned three nominations for the 1992 Juno Awards, an achievement that attracted the attention of Toronto-based Capitol Records Ltd. of Canada, which signed the Nova Scotia quartet in late May. Now, with a Hollywood management firm and the backing and promotional support that accompanied their major-label backing, the group seems destined for the sort of success enjoyed by fellow Maritime performer Rita MacNeil. Said Jimmy Rankin, the group's guitarist-singer: "It all started in our family kitchen. We knew a manager, a record deal and we're touring overseas. It's pretty amazing, really."

The Rankins are the latest independent success story in Canada. Like others, including the acoustic pop band Barnabás Lachas and harpist Lorena McKinnell, as well as MacNeil, the Rankins built up an audience through word of mouth, frequent live performances and self-produced recordings. When combined sales of the Rankins' work reached 60,000 last spring, it was startling enough to attract Capitol. "Locally, Toronto-based Barnabás Lachas sold an astonishing 100,000 copies of their debut cassette, *Reverend Lachas*, before New York City's Sire Records took them into its stable."

Meanwhile, Celtic harpist Lorena McKinnell, of Scotland, did a similar thing. She sold a total of over 60,000 copies of her three independent releases before Warner Bros. Inc. signed her up. And two other groups performing Celtic music have been gaining local following. Cape Breton's Sara MacNeil and Newfoundland's Rita MacNeil seem certain to lead their own major-label record deals.

Not most surprising for the Rankins (aged 26, his father's piano teacher) John Morris, 32, and sisters Raylene, 30, Cooke, 27, and Heather, 24) is that their success has arisen largely from playing the music of their Scottish ancestors: fiddle tunes and ballads sung in the ancient Gaelic language. The group's current monthly performance devoted to the tunes called their clan Capital Records, realizing that there was an obvious market for the distinctive Cape

Breton sound, a mixture of Scottish and Irish styles, released the group's second recording, *Row The Wind Live*, and plans to re-release *The Rankin Family* this month. Both recordings feature a mix of traditional instruments and ballads as well as folk songs written by Jimmy Rankin. "We keep our traditional side quite pure," he said. "We don't alter it a heck of a lot, maybe that's our secret."

Born on the west coast of Cape Breton



Jimmy (left), Cooke, Raylene, John Morris and Heather Rankin self-produced

Island, all 12 Rankin children grew up in Miramichi, a small town steeped in Celtic culture. According to Raylene, almost every second house had a fiddle and custom dictated that every third weekend her family would host a party, or *ceilidh*, as it is called in Gaelic. Recalled Raylene: "Our father played the fiddle, our mother the piano. And during the summer, when people from away would come to hear, they'd have ceilidhs. Our house would be filled with music."

The eldest Rankin children learned the steps and tunes common to the region and began performing them at local weddings and dances. After those affairs marred or took up other preoccupations, five of the six younger Rankins took their place. In 1989, the current members, encouraged by their growing popularity at folk festivals, decided to pursue their musical careers full-time. Raylene, who graduated from

Dalhousie University with a law degree, landed most of the band's bookings, while their mother, Kay, looked after cassette and orders. Jimmy's wife, Sara Nadeau, took care of distribution. Now, with the help of Rita MacNeil's former manager, Brooklyn Diamond and with Capitol handling its releases nationally, the family can focus on making music.

Later this month, the Rankins Family travels to Scotland for a tape session with BBC Television. It will be the musicians' third trip overseas, where they have won accolades in Scotland for a style of fiddle music and step dancing that has died out in its mother country. "It's a bit like teaching a hen to lay an egg," says Raylene, who explains that neither she nor her sisters are fluent in Gaelic. In fact, they learn the words to Gaelic songs phonetically with the help of several older Gaelic-speaking women in Miramichi. Meanwhile, for John Morris there is an abundance of Cape Breton fiddle tunes to learn. And Jimmy is busy writing song pieces as *Orangeville Whiskey*, a romantic Irish



Ackroyd: only those societies that remain true to themselves can survive

BOOKS

The nation within

An culture examines how culture shapes people

ENGLISH MUSIC

By Peter Ackroyd
(Penguin, 499 pages, \$16.95)

Culture is what makes the Germans German and the French French. It encompasses everything from the arts and architecture to the way a society talks, dresses and even cooks. And according to English Music, British writer Peter Ackroyd's sixth novel, culture is as essential to a people's well-being as the air they breathe. His madcap series, set at a time when societies around the world are under increasing threat from technological and economic change, climaxes here, but unfortunately as they disintegrate a North American free trade zone—and express concern about whether their cultural industries will be protected. English Music makes no mention of trade pacts. But it subtly cautions the idea that only these countries that remain culturally true to themselves can survive.

Ackroyd's novel touches on the meaning of English culture (specifically the country's past). In his books (particularly *Metroland*, *Chatterbox* and *Red Larch*), the past has no sense of history, leaving the present in the past, where the time often becomes indistinguishable. English Music pushes Ackroyd's favorite theme into new territory, combining a strong theme on relationships with an intellectual exploration of class, English music and literature. The narrator, Timothy Hazzard, is as old as the setting he breathes in London just

after the First World War. He and his father, Clement, were socialist brothers who conducted the band to help cure their chronic bloodless. Young Timothy also has the ability to visit strange visionary worlds. Often, he also acts as a dreamer in what he talks with the characters and authors of books his father has read to him.

Timothy's mother died at his birth, and he and his father live together in a tiny one-bedroom flat on a dingy working-class street. Timothy's only contact with nature is with the tall poplars under their front window. And yet in those meagre, melancholy surroundings, the two have created a kind of real life, based partly on their mutual affection for such classic English authors as Dickens and E. Nesbit.

Now novels have explored the father-son relationship with as much poignancy and insight. English Music is, in part, a love story about Timothy and Clement's acrimoniously exiled attempts to come to terms with one another. Under pressure from local politicians who accuse Clement of not raising his son properly, he sends Timothy out into the world to be brought up by his maternal grandparents. Their separation (which Timothy experiences with the desperate numbness of a child confronting death) is heartbreaking. But it is only the first in a series of partings and meetings to which Timothy, as he grows older, comes to understand that his own individuality and freedom depend almost paradoxically on his continuing relationship with the older man.

The accurate emotional device between father and son points to the novel's central

theme: the complex interdependency of all human beings. This goes against the grain of such modern fiction and psychology, which have made a fetish out of ever greater individualism and independence. But Timothy realizes that his individual, problematic father is part of who he is. He cannot escape Clement any more than he can discard his own character. Ackroyd carries this same argument to a cultural level. When Timothy enters his dream visions and talks with Dickens, or the artist William Hogarth, he knows that they are as necessary to his sense of identity as his relationship with Clement. And so he begins to hear "English music" as the heart of English culture shaped by both great artists and the genius of the English people. But the novel's lesson is in its depiction of Timothy's visions. Those visions are intellectually driven, not compelled by any real needs of character or plot, and despite the pace of the narrative.

Still, English Music is a brave, beautiful deliverance, and we would hope many successful novels that have aimed lower. Many champions of the current trend to globalization celebrate the arrival of a single worldwide culture. But if Ackroyd is right, true culture must always be local—dependent on the configurations of a landscape and the mysterious living inheritance of the past. English Music explains people everywhere to remember who they are. Not to do so, it implies, is to be nobody at all.

JOHN DENKOW

Macleans

BEST-SELLER LIST

FICITION

- 1 *Garden's Gate*, Ray (2)
- 2 *For the Sake of Henry*, George (2)
- 3 *Remember the Secret of Joy*, Walter (2)
- 4 *City of Gold*, Douglas (2)
- 5 *Griffin & Sabine*, Zorich (2)
- 6 *Sam Pelt*, Lennart (2)
- 7 *Forfeited*, Alvin (6)
- 8 *The Pelican Bird*, Graham (2)
- 9 *Eye of the Storm*, Wilson (2)
- 10 *Ann*, Sherman (2)

NONFICTION

- 1 *Down the Sun Story*, Irvine (2)
- 2 *The Silent Passage*, Shady (2)
- 3 *Summer Walkabouts*, Alvin (2)
- 4 *The Culture of Conscience*, Gellman (2)
- 5 *A Return to Love*, Williamson (7)
- 6 *Peoples Power*, Wright (2)
- 7 *Social Conscience*, Wright (2)
- 8 *The Happy Men of Omeira*, Thorne (7)
- 9 *Wish Without End*, Ray (2)
- 10 *Remember the Secret of Joy*, Walter (2)

11 *Prisoners last night*

Compiled by John Denkow



A message for Elizabeth Taylor

BY ALLAN FOTHERINGHAM

The press—call its bastard offspring radio and the tellyboos—are guilty of many sins, in only a number of the grosser ones. Among the more grievous ones is the eternal search for the new, if not necessarily the accurate. The search for the new, the interesting, is always more intriguing than the latest sewer hygienics.

Remember herpes? Herpes was going to kill if not easier so all herpes was a Time cover story. Anyone heard of herpes lately? Of course not. Because we have discovered a new scourge, a new headline that blackest newspapers and magazines and consumer affairs funds of nonprofit timber converted into pulp and paper and thus newspaper, not to mention the souls of unchaperoned all of whom are blond and have dingy earnings.

The subject, the topic, of course, is AIDS, the most popular disease of all news editors because it is the trendiest of all diseases. Twenty people die of it and twenty people go outrage and snore about it. Elizabeth Taylor, between husbands, appears around the world as every platform available to snore about it. Rock Hudson dies of it, thus increasing the circulation of every supermarket tabloid.

AIDS is a problem, but could we hold on a moment? We have before us a source called the Bureau of Chronic Disease Epidemiology, Health and Welfare Canada. In the two-page column of chronic diseases, it is titled: "Leading Causes of Person Years of Life Lost."

Number 1 is cancer. Number 2 is "diseases of the heart." Number 3 is "other accidents." Next is respiratory disease, followed by motor-vehicle accidents and then communicable disease. Next comes, in seventh place, suicide. This is followed by—whatever it is—congestive heart failure, then perinatal causes, followed by diabetes.

In 11th place, in the drag that kills Canadians, is AIDS. This may annoy some editors, but it doesn't doctors. Or cancer. Or pneumonia. Or those killed by cancer or heart disease or car crashes or suicide, since they are not currently trendy stuff that makes the news.



Last year, two good reporters on *The New York Spectator*, Paul Benedetti and Wayne MacPhail, set out to mix a serious look at the big lie called AIDS. To their editors' credit, they spent three months chasing down the big lie. Even when their stories were published, they never got the support of many of their own colleagues. Their own editorial page wouldn't support them, though the Canadian Association of Journalists has heaved them for their exclusive right-part series.

Their conclusion: the federal government has consistently misled Canadians about the risk of getting AIDS. 16 years ago the AIDS epidemic, there is no evidence: the disease has moved beyond the fingers of the high-risk groups. Benedetti and MacPhail provide proof of what people of common sense have long suspected: "the average Canadian has about as much chance of contracting AIDS as dying in a commercial air crash—about three in a million."

The two meticulous reporters tell us that there were only 156 people not known to be in a high-risk group who have AIDS in Canada. The problem, which no one including the mainstream press likes to talk about, is the "high-risk group."

Twenty-nine per cent of all sexually transmitted AIDS cases in Canada, as is pointed out by Dr. John Richerick, Vancouver's medical officer of health and the chairman of the AIDS advisory task force of the Canadian Public Health Association, are a result of unprotected sex.

The public press doesn't like to talk about this. The *Black-Hudson-to-Elizabeth-Taylor-to-risk-averse-head-liners* is more democratic to cover. Whoever could get a headline out of a *Wile Nelson* hand rather for diabetes?

Eric Metz is a Toronto epidemiologist and a former member of the New South Wales Force on AIDS. Federal, provincial and local education campaigns give the message that all sexually active Canadians are at equal danger of getting AIDS. This is simply not the case, he points out. Metz told the *Spectator* reporters that such public-education programs as AIDS is Everybody's Problem is a check, even Don't Not Discriminate is "a downright lie."

Denies, he says, "do discriminate." If they didn't there would be no epidemiology. Epidemiology is looking at the differences in rates of disease in different groups. It is supported by his MacNeil, chairman of the department of obstetrics and gynecological sciences at the University of Western Ontario. He says the "epidemiology" in Canada peaked in 1985, and AIDS cases will probably plateau or decrease over the next few years.

Ontario's Federal Centre for AIDS warns that Canada apparently should avoid the heterosexual spread of AIDS in Africa. Thailand said the United States. But, as the sensible *Spectator* scribbles point out, Canada lacks the social, health and economic factors that have been catalysts for AIDS elsewhere.

Metz says it is "indecisive" to ignore the differences between Canada and the United States. Most heterosexual cases there are at specific urban ghettos with large minority populations living in poverty—"as if they were in the Third World in U.S. boundaries."

You can't translate a Philadelphia ghetto into Canada, and yet there is an entire cottage industry of travel services in Ottawa conducting sex and propaganda and revelations trying to convince us that it is so.

Please phone me the next time you see Elizabeth Taylor doing a face craver for genital causes.



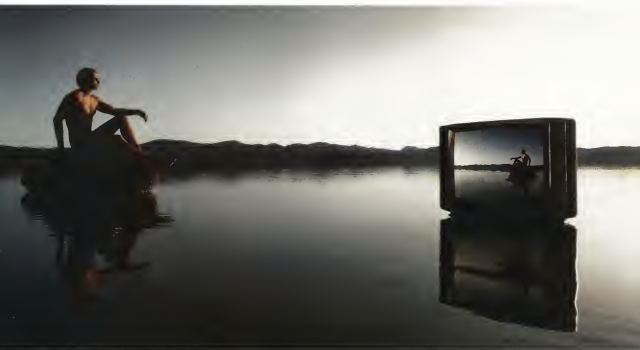
Those far away vodkas with strange sounding names.



That Rocky Mountain water and Canadian Prairie Rye Grain.

Pure Alberta Vodka. Proud Canadian Vodka.

TOSHIBA. A PARTNER IN THE HUMAN ADVENTURE.



To accompany Man in his perpetual quest for knowledge, and to permit him to travel in space and time without moving, this is the mission Toshiba is committed to. Due to Toshiba's tremendous advances in digital sound and high definition imaging, this dream is now a reality. Sit back and let our television transport you. The power and quality of Cyclone Sound, plus the fidelity and subtlety afforded by its FST Super Tube surrounds you with an audio and video environment harmonized to perfection. World leaders in semi-conductor technology and creators of 16 Mo DRAM live memories, Toshiba offers you today the tools of tomorrow to bring you closer than ever to new frontiers of discovery and knowledge.

In Touch with Tomorrow
TOSHIBA

For further information, call : Toshiba of Canada, Ltd, Consumer Electronics Sector, (416) 499-5555